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Wednesday 24 March 2010

## Standing Committee on Public Accounts

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Ministry of Transportation

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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTS

Wednesday 24 March 2010

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
COMPTE PUBLICS

Mercredi 24 mars 2010

*The committee met at 1229 in committee room 1, following a closed session.*

2009 ANNUAL REPORT,  
AUDITOR GENERAL

## MINISTRY OF TRANSPORTATION

Consideration of section 3.02, bridge inspection and maintenance.

**The Vice-Chair (Mr. Peter Shurman):** Good afternoon, everybody. Welcome to the Standing Committee on Public Accounts, meeting today to consider section 3.02 of the Auditor General's report on bridge inspection and maintenance.

Welcome to our guests from the Ministry of Transportation. I'd ask you to begin by identifying yourselves for the record, and you have 20 minutes to make your presentation.

**Mr. Bruce McCuaig:** Good afternoon. My name is Bruce McCuaig. I'm the Deputy Minister of Transportation. To my left is Ray Mantha, executive director of asset management with the Ministry of Transportation; and to my right is Gerry Chaput, chief engineer and director of highway standards for the Ministry of Transportation.

Thank you very much for the time to appear before you this afternoon. I would like to review, in turn, each of the Auditor General's recommendations and the highlights of our action plan describing how we are addressing those recommendations.

Each of you has a copy of the action plan. I also have several illustrations to share with you. The illustrations will be shown on the easel to my right, but each of you also has a four-page handout of these illustrations.

Let me start on a note of thanks to the Auditor General and his staff. His research was thorough; his findings and recommendations thoughtful. Our staff found the consultation process to be highly open, collaborative and insightful.

The Ministry of Transportation sets a very high standard, one that is a model for other jurisdictions, and the Auditor General's findings and advice encourage us to set the bar even higher. Our action plan addresses all of his recommendations.

Our made-in-Ontario bridge inspection processes, which include the highly regarded Ontario Structure

Inspection Manual, have been adopted by the provinces of Saskatchewan, Manitoba, Nova Scotia, Prince Edward Island and, in 2008, Quebec.

MTO is, if nothing else, an engineering organization. Professional engineers abide by a code of ethics in which the duty to public welfare is paramount. In our engineering organization, our duty to public welfare is safety. Mr. Chair and members of the committee, the first priority of the Ministry of Transportation is the safety of the travelling public. I want to assure you at the outset of my remarks that our province's bridges are safe.

Year after year, Ontario's roads have been found to be the safest in North America. Our outstanding record in transportation safety is due to a combination of factors, including legislation, infrastructure, planning, design, education and enforcement. Our standards are considered the highest. Our engineers have always been thorough and meticulous in their work. But as the Auditor General has pointed out, we can do a better job on some aspects of that work. We are grateful for his suggestions to enhance our processes to better manage Ontario's 2,720 bridges on behalf of the province's taxpayers.

I'd like to begin by talking about recommendation number 1, which is on page 1 of our action plan. This recommendation refers to bridge repair and rehabilitation, and how we set priorities. To be clear: Public safety is the first priority. Bridge repairs to protect the safety of the travelling public do not get put on a schedule. We act immediately to address safety concerns—no question. This is our obligation and our public duty as an engineering organization.

We have responded to the Auditor General's suggestions to enhance our risk assessment processes by improving our processes for collecting data, record-keeping and planning rehabilitation and repair. Specifically: We clearly identify maintenance issues that require urgent attention.

When inspectors identify an item requiring immediate attention, they relay that information verbally. They record it at a local MTO office and they provide detailed documentation to our central database.

We now record all bridge maintenance work as soon as it is completed.

We are developing a business case to adopt new software over the next four years to enable us to better manage and integrate our data.

And we have in place a multi-year plan of bridge repair and rehabilitation. This plan is supported by

comprehensive inspection reports and the best expertise of our engineers.

I want to clarify the difference between inspecting a bridge for safety, and examining a bridge in order to schedule routine repairs and upkeep.

The first page in your handout is a sample of the inspection form that is a standard in the Ontario Structure Inspection Manual. There is an enlarged version on the easel to my right. As you can see, halfway down the inspection form there is a list of performance deficiencies that inspectors look for. Below that is a quite separate list of maintenance needs to assess. As you can see, inside the circled area is a place for inspectors to note anything they consider an urgent maintenance need. We always address urgent maintenance issues quickly. We have not always been consistent about documenting this, and we have standardized our documentation.

The second page in your handout, and on the easel, shows how we use the bridge condition index, or BCI, to schedule repairs and rehabilitation. BCI does not measure safety. It is a planning tool to help us strategically schedule non-emergency bridge maintenance so it is done at the optimal time.

As you can see in this simplified example, every component or element of a bridge is catalogued. The second column shows what it would cost to replace each element. The last column shows what the dollar value of each element is right now. In the bottom right-hand corner is the calculation, for this bridge, of the bridge condition index. As you can see, BCI is simply the dollar value of all the bridge elements—the entire structure—divided by the cost to completely reconstruct it. A rating of 70 to 100, as you see in this example, indicates work is not usually required within the next five years.

As you can see, BCI looks only at dollar values. As an asset management tool, its sole purpose is to schedule bridgework, routine maintenance and upkeep.

If you would turn to the third page in your handout, you will see at a glance our five-year work plan. This illustration is also on the easel to my right. As you can see, the majority of Ontario's bridges—2,067, shown in purple—require no maintenance or upkeep for the next five years. The remaining 614, shown in green and black, are either scheduled for maintenance and upkeep work, as part of our five-year plan, or, in the case of 39 bridges, shown in light blue, the work will take place at the same time as work we have already scheduled on the adjacent highway. This makes the most efficient use of MTO resources and taxpayer dollars.

Once again, let me emphasize that there are no safety concerns with any of these bridges. Our five-year work plan is about upkeep and maintenance only. We always address safety issues immediately, at the time they arise.

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Continuing now to the second recommendation in the Auditor General's report, you may wish to turn to page 3 of our action plan.

There were several suggestions to improve the quality of bridge inspection data to better manage provincial

assets. We agree and we are already addressing the Auditor General's suggestions. We are expanding our record-keeping to document and explain why there were unexpected alterations in a bridge condition index. Documentation is a big part of both recommendation number 2, regarding bridge inventory, and recommendation number 4, regarding inspection oversight.

If I could ask you to skip forward to recommendation number 4 on page 5 of our action plan, I will talk about how we are improving our monitoring of inspectors' work.

First, in September, we issued a bridge inspection oversight policy confirming inspectors' accountabilities, including contracted engineering firms. We make clear what documentation is required from inspectors and we conduct spot-check audits.

Second, to clarify our requirements to engineering firms, we standardized contracts for bridge inspections. The lead inspector must have a minimum five years' inspection experience. The inspectors must provide photographs date- and time-stamped of their work, and we spell out how much time is required to thoroughly conduct each inspection.

Third, we are reinforcing these requirements in the training that MTO inspectors and engineering firms must take.

One of our enhanced requirements is in regard to gaining access to bridges for inspection. If you turn back to page 4 of our action plan, you will see recommendation number 3, regarding arranging the closure of a lane or shoulder.

Transportation infrastructure is crucial to Ontario's economy; we have some of the busiest highways in all of North America. This makes closures very challenging, especially when thousands of motorists are inconvenienced. Nevertheless, we scheduled and completed 50 closures last year in the greater Toronto area. We now spell out in all contracts which lanes and shoulders must be closed, and that closure is not optional, it is mandatory. Further, to ensure inspectors' complete understanding, we have provided written guidelines to all inspectors.

I would like to take a moment to describe the extent and frequency of our inspection program.

Every provincial bridge in Ontario is thoroughly inspected every second year. Ontario is the only province where this is a legislated requirement. Inspections are conducted or supervised by a qualified professional engineer. Every inspector takes three days' mandatory refresher training every two years. If an inspector does not participate in training, he or she cannot lead or supervise an inspection. And, as I mentioned earlier, the lead inspector of the team must have five years' experience.

Inspections are done according to the standards set out in the Ontario Structure Inspection Manual. Our inspection process is considered by other jurisdictions to be the gold standard for bridge inspection. The Auditor General, in his report, described our inspection process as "an effective means of identifying significant structural deficiencies in a bridge," and he described our inspection

manual as "comprehensive." The manual is updated regularly; in the past decade, three times.

In addition to a thorough, up-close inspection every two years, every provincial bridge is visually inspected every six months. Bridges on our busiest highways are monitored daily by maintenance patrollers who look for any indication that the condition of a bridge has changed. If anything unusual appears, they investigate further, and, when appropriate, act immediately.

Next, I would like to talk about how we manage and maintain our provincial assets. The Auditor General's recommendation, recommendation number 5, is on page 6 of our action plan.

Recommendation number 5 is that we develop a formal asset management plan in order to more effectively prioritize preventive maintenance. Keeping in mind that we always address safety issues immediately, we agree. Detailed data that we gather during inspections are being recorded in our bridge management system software to support decision-making. We are starting to implement multi-year regional investment plans that will more efficiently allocate capital investments over a 25-year time frame. The plans take into account factors such as the role of the bridge in the highway network, the overall condition of the structure, the volume of traffic, and the cost-effectiveness of timing the work to coincide with other highway work planned for the area.

If you would turn to the final page in the handout, you will see how the province is investing in bridge infrastructure. This illustration is also on the easel to my right.

As you can see, funding commitments have increased every year over the eight years between fiscal 2005-06 and 2012-13. This is an investment of \$1.65-billion over eight years on bridges alone. Between 2004 and 2008, we restored and repaired 418 bridges, and built 95 new ones.

Continuing now to recommendation number 6, you will find this recommendation on page 7 of our action plan.

Earlier I referred to our bridge management system. As an analysis tool, it enables us to estimate our needs and establish priorities for repair and capital works. We recognize the value of a centralized database, and we are acting on the Auditor General's recommendation to centralize our data and upgrade our information technology. Our software is 10 years old and we are considering how to update it. We intend to bring forward a strong business case this fall. If the business case is approved and implemented—which would be in four years' time—changes to the system will further address the Auditor General's findings.

Recommendation number 7 is concerned with the contract selection process. You will find this recommendation on page 9 of our action plan.

We are strongly committed to an open, transparent and competitive process as a foundation for ensuring value for money. In fact, 97% of our contracts are procured through competition. The very few instances in which contracts were issued without tender were emergency situations in which we had to move quickly.

One of those, you may recall, was in September 2008. It involved a truck fire which damaged the Highway 401 westbound express ramp leading to Highway 404. This required immediate repair, as it posed a safety risk. There was neither the time nor the opportunity to acquire competitive bids.

In the past three years, we have had five such instances. These rarities were well-documented and in all cases, MTO fully complied with government procurement directives.

We have taken the Auditor General's advice and enhanced the competitive process in a number of ways. For example, where it will attain efficiencies, we bundle design projects together into a single contract. This makes the contract sufficiently large enough to attract firms' interest. We are introducing mandatory requests for proposals for inspection contracts. We are encouraging more bidding by more firms, by awarding some more routine projects, in design or construction, largely on the basis of price.

The eighth and last recommendation of the Auditor General concerns the safety and upkeep of municipal bridges. You may wish to turn to page 11 of our action plan.

As I mentioned earlier, the province is responsible for 2,720 bridges in Ontario. Most of the remaining 12,000 bridges are the responsibility of Ontario's municipalities. They, too, are subject to the same high standards as provincial bridges.

That being said, municipalities are accountable and responsible for their assets. We have provided a framework for municipalities to conduct inspections and we assist them in meeting their obligations in a number of ways. We provide them with our bridge management system software and manuals and, when required, our technical expertise, all free of charge. We work closely with the Ontario Good Roads Association, which provides bridge inspection training to municipalities' engineers and contract inspection firms. We have invested more than half a million dollars in the Ontario Good Roads Association database, known as Municipal DataWorks, so that smaller municipalities can inventory their assets. The ministry has entered into a one-year cost-sharing agreement with the Ontario Good Roads Association in which the province will contribute up to \$750,000 to assist municipalities to collect, process and input their asset management data into Municipal DataWorks. This data will support the development and management of future infrastructure funding programs.

Since 2005, the province has spent more than \$500 million to support improvements to municipal bridges and roads. This was accomplished through the Canada-Ontario municipal rural infrastructure fund, the Building Canada fund and the infrastructure stimulus programs.

#### **1250**

On a related note, the province is uploading a variety of municipal responsibilities, such as court services, the Ontario drug benefit plan and social services. This means that municipalities will be able to increase their capacity to spend money on their infrastructure.

Lastly, we know that the dialogue with municipalities on roles and responsibilities is an ongoing one. That is why a review of municipal roads and bridges is currently under way. The review will include an inventory of municipal assets and needs, and will look at asset management practices. Among the partners in the review are the Association of Municipalities of Ontario, the Ontario Good Roads Association, the city of Toronto and others. The partners are looking to provide options for roles and responsibilities in 2011.

To sum up, Mr. Chair and members of the committee, MTO takes very seriously our duty to ensure the safety of the travelling public, and we take very seriously the findings of the Auditor General on bridge safety and maintenance. We are taking action on every one of his eight recommendations, as you have seen in our action plan.

I want to conclude my comments by thanking my staff at the Ministry of Transportation for the tremendous job they have done, and continue to do, to ensure that Ontario's bridges are safe.

We welcome the Auditor General's observations and have seized the opportunity to raise the bar on our high standards even higher. It is important that the people of Ontario have confidence in the safety of their roads and bridges.

We would be pleased to address the committee's questions. Thank you for your attention.

**The Vice-Chair (Mr. Peter Shurman):** Thank you, Mr. McCuaig. We'll go in rotation, up to 20 minutes per party, and we'll begin with the Progressive Conservatives. Ms. Savoline.

**Mrs. Joyce Savoline:** Let me start by saying thank you to the engineers who do provide the risk management and safety of Ontarians. You do that quiet, invisible kind of work that nobody thinks about, but when an accident happens or something critical arises, it's the engineers who are called upon. So, for the value you provide to the quality of life in our province, thank you for everything you do, for all the work you do above the ground and under the ground.

I want to go to page 3 of the presentation, Mr. McCuaig. You talk about urgent maintenance need. Can you explain to me the criteria you use to distinguish immediate urgency? Let's start with that.

**Mr. Bruce McCuaig:** First of all, on behalf of the ministry's engineers, thank you very much for the comments. I agree that they take their jobs very seriously, and largely untold.

In terms of urgent need, the inspection manuals we have as a ministry, and that the inspectors have on-site as they're doing the inspection, give them guidance as to the kinds of items that represent urgent need.

For example, there could be a situation where there is concrete that is spalling or separating from the steel that's the structural support for the bridge. Depending on where that spalling occurs, if it's over an untravelled area, it's not an urgent issue. Obviously, if it is something that an inspector or patroller notices over a shoulder or live traffic lane, it becomes an urgent issue.

The role of the inspector would be to then call in that situation to the ministry, and we would dispatch a crew to take the necessary action, which in the case of spalling would likely be to close the lane or shoulder underneath and chip away some of that concrete so that there's no danger of it falling on to traffic below.

That's the kind of guidance we give to our inspectors and the role we expect them to take on in the field as they're doing their inspections.

Gerry Chaput, our chief engineer, might have a few comments, just to expand on that.

**Mr. Gerry Chaput:** Yes. Basically, "urgent" is any work that's required with a potential safety issue, and we take that very seriously. Our inspectors are advised that if there is any issue, they take immediate action, and that's even closing a highway, if necessary. They're empowered to do that, they understand their responsibilities and they take those very seriously.

What we do in our inspection, of course, is that it's documented as an urgent need, and they respond to that immediately with phone calls and emails. We're working on a process to ensure that work is completed and followed up in our system. It is done now, but we want to record it better.

**Mrs. Joyce Savoline:** Say an inspector does his inspection and an urgent need is identified; however, in your project list, your plan for projects, it's identified further in time and is also identified with roadwork that needs to be at the same time, so that when we disrupt the flow of traffic we do it all at the same time. Would that whole project be brought forward, or would you just deal with the urgency of the repair?

**Mr. Bruce McCuaig:** I would say that, first and foremost, safety or the urgency that is identified would have to be addressed. That would be the first priority. It may be that the response is for a further inspection to understand in more detail what is happening with that particular element, but there would have to be some immediate response.

We would not defer an urgent need to a later date when other programmed work is scheduled to occur. It's not usually possible to bring forward a major piece of work in the time frame you would need to deal with an urgent matter. In that situation, I would expect, and would expect that the engineers would be suggesting, that the urgent piece be dealt with immediately.

If it's possible to package different pieces of work together from an asset management perspective, then certainly that's something we try to do. But we don't want to compromise safety by that kind of scheduled process.

**Mrs. Joyce Savoline:** But in each instance, you would look at the coordination, so that if it could happen, it would happen?

**Mr. Bruce McCuaig:** Absolutely. In one of the figures I referred to earlier, the pie graph, you would have seen the 39 bridges that were shaded light blue. When we went back and took a look at those bridges to find out why they were not on the program, since they

had a bridge condition index of less than 60, we determined that what we were doing with those is trying to coincide that work with other work we have to do on the highway corridor already, so that we get better value for money.

We also make sure, before we make those decisions, that there are no safety issues that we're pushing off. If there are safety issues, we should, and are obligated to, deal with those issues immediately.

**Mrs. Joyce Savoline:** Okay. Are the provincial inspectors—the bridge inspectors—now documenting differences between those incidents that pose a risk versus those that indicate a loss in value? Is it clearly documented?

**Mr. Bruce McCuaig:** I'll start the response to this question, and then I'll ask Mr. Chaput to follow up.

One of the areas that the Auditor General commented on was to improve some of our classification between routine maintenance and work that's more urgent. One of the items that we're doing is trying to adjust some of the forms I showed you earlier, to make it clearer and distinguish between routine maintenance and urgent work, as well as making sure that we're adjusting our training for our inspectors so they understand more precisely what our expectations are in those different areas. So we're trying to make sure that it's as clear as possible to the inspectors. Some of the ways in which we try to follow up to determine if the training is working—the system is working—is that we'll go back and do spot audits of some of those inspections to make sure that the inspectors are picking up the kinds of factors they should be picking up.

Mr. Chaput, would you like to add anything?

**Mr. Gerry Chaput:** Sure. On the forms we use—we have the major manual that's in the office, of course, but we also have this little inspection guide that inspectors can take out with them. As well as this, we also have computerized tablets, where the inspector can actually tick off or do their calculations there.

On the form—you'll see a copy of it here—there is a note where it says "Performance deficiencies" on the far right. If you look further down, there's coding underneath that talks about what would be considered a performance issue, and those are major issues: load-carrying capacities, a jammed expansion joint that would require work or cause premature deterioration, flooding or blockage of the channel, which could cause further erosion or wear. Those are the performance deficiencies that people need to act on. They write that, and they write their comments in there.

What we've been remiss in is either documenting some of the comments about that, or, when they make the phone call, that they don't bother putting it in the form. Those are the performance deficiencies that they really need to ensure they document better.

1300

**Mrs. Joyce Savoline:** So you could be expanding on that information?

**Mr. Gerry Chaput:** Yes. As well, for maintenance needs, you'll see "urgent," "one-year" and "two-year."

Again, that gets back to when they're out there, if they see something that's immediately required, such as chipping or loose concrete, that would be done as urgent. You can see that there's a breakdown of some of the priorities under maintenance needs as well. Some priorities, like bridge cleaning and general maintenance, don't need to be done urgently, but something like chipping, which I believe is on there, would be required immediately. That's how they document it in the form, through that process, and then that goes back into our bridge management system.

**Mrs. Joyce Savoline:** Okay. Is the Ministry of Transportation now approving lane closures in the greater Toronto area to get a close-up look at bridges? Could you explain how you're doing that? What have you learned from that experience? How are you going to apply that to future inspections to minimize—and the key is to minimize—traffic disruption?

**Mr. Bruce McCuaig:** Absolutely. We want to make sure the inspections are done properly, but we also want to minimize the impact on goods movement and the travelling public, since highways like the 401 are obviously critical to the economy and to the broader community.

In the past year, we have scheduled 50 lane and shoulder closures in the greater Toronto area, and this year, we'll be scheduling more. Basically, what we try to do is identify the optimal time to do those kinds of closures, so that we're impacting traffic as little as possible. So we may be looking out of the peak period into the shoulder areas in the evenings and the weekends. Those are the kinds of strategies that will be taking place.

What we've done is document in our contracts, which are signed by our inspectors, where they must do closures, so that there is no longer any discretion in those cases about when closures are and are not required. We're also providing more guidance on the different kinds of tools that could be used as an alternative to a closure if it's not possible for some reason; for example, the use of remote-controlled cameras and other kinds of technology like scissor lifts and bucket trucks, which can allow inspectors to get close up without necessarily having to close the lane.

We're trying to come up with a range of tools and approaches to make sure that the right kinds of inspections are taking place on the highway.

Mr. Chaput, is there anything else you would like to add?

**Mr. Gerry Chaput:** Bruce has done an excellent job in terms of understanding where we've been using them and what we've been doing. I think we've also implemented new accessibility guidelines, so that our inspectors or the people we hire to do inspections on our behalf now understand what to consider when they're looking at a bridge and where they should be looking close up with additional equipment.

I don't want you to go away with the understanding that we're closing every lane and shoulder for every bridge, because that's not necessary. A bridge is like a hospital patient: It shows symptoms, and like doctors,

who don't have to do open-heart surgery if you have pain in your left arm all the time, we are able to assess the symptoms to look at further investigations. In a lot of our inspections, if we go out and see a sign or symptom that there may be something else required or a more close-up inspection, another lane closure will be scheduled.

In addition, we mentioned that we had done 50 last year; we expect even more this year in the GTA because of the inspection cycle. We inspect every two years, and many of the bridges on the 401 through the GTA were not done last year. They'll be coming up this summer, and we expect significantly more lane or shoulder closures for those as well.

**Mrs. Joyce Savoline:** About 25% of our provincial bridges are rated as being "fair" or "in poor condition." What has happened in the last four years that might account for the infrequent use of the more comprehensive bridge survey? Why are we at such a high number?

**Mr. Bruce McCuaig:** The first point I'd like to make is that Ontario, like many other North American jurisdictions, has a similar population of bridges in its inventory. Many of these bridges were constructed in the 1950s, 1960s and 1970s and are now nearing the end of their life cycle. I don't think we're unusual, in terms of other provinces or states, in the kind of age we have in our bridges, and that obviously reflects in the bridge condition index, since the bridge condition index, as I tried to explain earlier, is a reflection of the ratio between their current value and their replacement value. So it's not unusual that we have this number. That's one point.

I think the second point I'd like to make is that the bridge condition survey is a tool we use to help us develop the rehabilitation program for a particular bridge. We actually use a bridge condition survey when we've decided it does need to be rehabilitated or restored and we need more information to understand the scope of the work that needs to be done. It helps us to design the project so we can do a better estimate of the cost of that project. That's the purpose of the bridge condition survey, and typically we only do those on bridges that are about to go into a rehabilitation program.

That doesn't mean we don't do other kinds of inspections on bridges, other than the regular biennial inspection. If the inspector identifies an issue with a bridge, there could be any number of inspections that are then requested and required: everything from an underwater survey to coating surveys to fatigue testing of steel elements. There is a variety of different kinds of testing that are done as a matter of course, but a bridge condition survey is really a survey that we use to help prepare to put a bridge reconstruction project out to tender to help us understand what the scope of the project is.

**Mrs. Joyce Savoline:** Okay. I'm going to go up north, Howard. Who is responsible for ensuring the safety on the, let's call them, alternative bridges: snowmobile trails where there are bridges, walking trails—some of these span the French River. Who is responsible for making sure that safety is upheld there?

**Mr. Bruce McCuaig:** Under provincial legislation, all bridge owners are required to do a biennial inspection

and to use the Ontario Structure Inspection Manual as the basis for that inspection. Whether it's a municipality or a railway or a private owner, they're all required to complete those biennial inspections. It's their obligation and responsibility under the legislation.

**Mrs. Joyce Savoline:** So would those be categorized as municipal?

**Mr. Bruce McCuaig:** It depends on who the owner is. It could be a snowmobile club, in some of the situations you identified, that is the owner. I'm sure we're all familiar with stopping at Webers for a hamburger on Highway 11.

**Mrs. Joyce Savoline:** You bet.

**Mr. Bruce McCuaig:** That pedestrian bridge across Highway 11 is owned by Webers, and they would be responsible for undertaking an inspection on it every two years.

**Mrs. Joyce Savoline:** Who is responsible for monitoring those reports? If I'm an owner and I file a report, what happens to it after it leaves my hands?

**Mr. Bruce McCuaig:** In the case of municipalities, since the vast majority of those bridges are under municipal ownership, those reports are part of the asset management regime of that particular municipality. It would be up to the municipal council to ensure that their obligations under the legislation are being met.

**Mrs. Joyce Savoline:** So the requirement is a provincial requirement but it's up to the municipality to make sure that that rule is upheld?

**Mr. Bruce McCuaig:** That's right, and there is a variety of other areas. For example, the province has regulations on minimum maintenance standards that you may have heard of as well, which speak, for example, to how frequently municipalities patrol their highways. So there is a variety of different kinds of regulations out there that are intended to give guidance and consistency across the province for how municipalities manage their assets.

**Mrs. Joyce Savoline:** Okay. There are also forestry companies that have built roads to move their product, and in a lot of cases they have a lot of bridges and certainly culverts on these roads. I understand that they are responsible while they're being used and the company owns the forest and does its work. But who is required to file those maintenance reports once the roads have stopped being used by those companies?

**Mr. Bruce McCuaig:** In the north, there is a variety of different kinds of governance arrangements that are established. In some cases there are local roads boards, and in other cases there are statute labour boards; there may be crown access or forest access roads that are under the jurisdiction, in some cases, of companies, and in some cases, the Ministry of Natural Resources; there are winter roads that are under the authority of the Ministry of Northern Development, Mines and Forestry. So there is a variety of different kinds of scenarios in the north, and the owner of the bridge is ultimately the accountable agent for those inspection processes.

1310

**Mrs. Joyce Savoline:** Is there any thought being given to coordinating that in a way so that the informa-

tion, I'm going to say, is more accessible and there's a better handle on what's happening? You can lose information when it's spread out over many different organizations?

**Mr. Bruce McCuaig:** For the bridges that are under provincial authority—so it might be a forest access road or a winter road—we certainly work very closely with the relevant ministry. In fact, in some cases, we actually provide services directly to them since we have the expertise as a road authority. There certainly has been discussion about how do we have an appropriate comprehensive inventory of bridge assets around the province. One of the purposes of working with the Ontario Good Roads Association on their Municipal DataWorks project is to come up with a tool that can be used for municipalities but perhaps by other agents as well in terms of understanding what are the assets that are out there, how are they being managed and what is the state or condition of those different assets. I think those are all great questions and items that I think we should be talking about with the Association of Municipalities and the Ontario Good Roads Association.

**Mrs. Joyce Savoline:** Good. In 2008, you prepared a business case that culminated in a request for an increase in staff. By doing that, it would lessen your dependency on consultants. Has that gone forward, first of all, and how many additional staff do you feel you need at the ministry to promote that good balance between external consultants and ministry staff?

**Mr. Bruce McCuaig:** Thanks for the question. Actually, it's an initiative that we're really quite excited about and believe strongly in. We want to be as a ministry, a knowledgeable owner, and we believe that one of the aspects of being a knowledgeable owner is that you actually do things yourself, so you're not completely reliant on third parties or contractors to provide a service. We have taken the steps of starting to move down the path of bringing some work back in-house. For example, construction oversight or design of bridges or small highway projects are being done by our own internal staff. In some cases, we're using them as training for young people who are coming into the organization, because after they come out of university, they're still looking for that first design experience, to design a project. So we've put together, over the last couple of years, a few dozen projects that we've actually done in-house, and we've used staff from around the province to deliver on those.

We did put together a proposal as part of our results-based plan to increase this, and we do have endorsement in principle to the concept. Right now we're searching for ways to find basically the full-time equivalents to invest in that area. But it's something that we're very interested and excited in doing.

**Mrs. Joyce Savoline:** There's not a number you can throw out today?

**Mr. Bruce McCuaig:** I don't have it off the top of my head. Mr. Mantha, could you add anything?

**Mr. Ray Mantha:** The only thing I would add—I don't have an answer with respect to the number, but I

can tell you that in order to recruit and retain young engineers and young staff to the organization, the last thing that they want to do is come to the ministry and sit behind a desk and administer a contract. They very much want to learn the business from the ground up. They very much want to participate in the design, the construction, the administration. I can tell you, our private sector service providers that we work with, engineering firms and contractors, primarily, are very interested in sitting across the table with knowledgeable people. It's called smart sourcing; that's the name of the initiative that we have on the table. It has received resounding endorsement from all parties, and so now, as the deputy pointed out, it's up to us to figure out how to see it go forward.

We plan on doing that by changing some of the methods of the business that we currently do, how we do business. It's about having a tool box of methodologies, contracting models, oversight models, deep and broad, so that we're able to select the specific model for the specific situation and make sure that we apply the appropriate resources and skill sets to do it.

In changing the way we do business, hopefully that will free up some of our resources so that we can dedicate that to remaining a knowledgeable owner, because it's absolutely paramount that the Ministry of Transportation retain that knowledge, going forward.

**The Vice-Chair (Mr. Peter Shurman):** Thank you—

**Mrs. Joyce Savoline:** My time's up?

**The Vice-Chair (Mr. Peter Shurman):** Go ahead and do the add, and we'll move on.

**Mr. Bruce McCuaig:** Okay. Just to add a specific point to respond to your question: In the inspection area, 70% of our inspections are done by contractors, and we've moved to have 30% of those inspections done by our own internal staff. So it gives you an example of one area.

**The Vice-Chair (Mr. Peter Shurman):** Thank you, Ms. Savoline. On to the NDP.

**Mrs. Joyce Savoline:** I'm done, so I can't ask how long the QEW will take to finish in Burlington?

**The Vice-Chair (Mr. Peter Shurman):** We're going to go around again and you can ask that too.

**Mrs. Joyce Savoline:** Okay.

**The Vice-Chair (Mr. Peter Shurman):** NDP: Mr. Hampton.

**Mr. Howard Hampton:** Thank you for the information you've provided so far. I want to ask some fairly specific questions.

One of the areas that the auditor took up in his report was the whole issue of what is happening in municipalities. It's my understanding that the Ministry of Transportation has no legal responsibility or obligation with respect to municipal bridges. But I take you at your word: When you started your presentation, you said this is about public safety.

The first question I want to ask is this: There was, in 1996-97, something that was called a municipal-provincial realignment. Some of us called it downloading. My understanding is, a large number of bridges that were

formerly the responsibility of the province were then passed on to municipalities. Do you know how many? If you don't have the number today, I'd be happy with getting it later, but do you have a ballpark figure about how many thousand bridges were handed over to the municipalities?

**Mr. Bruce McCuaig:** No, I don't have that number with me today, but we can get that for you, yes.

**Mr. Howard Hampton:** Okay, that would be good. The reason I ask this question is, in our discussion earlier today—in 1993, the Quebec government transferred responsibility for municipal roads and bridges to municipalities in that province. It was just “It's your responsibility now. We no longer have any responsibility for this.” Then, of course, you had the collapse of the Concorde overpass, and there was the commission of inquiry in Quebec, which recommended that the Quebec Ministry of Transportation regain ownership of all bridges from municipalities with a population of 100,000 or less. In other words, without going into the details, they simply found that the municipalities did not have the fiscal capacity or the technical expertise to look after these things.

I'm very concerned with what happens—what the condition is of those bridges that were transferred from the province to the municipalities. One community in my constituency, Kenora, population 15,000, I think took over more than 100 kilometres of what was formerly provincial highway. You don't have to know much about the geography of Kenora to know that there would be dozens and dozens of bridges. Every time I talk with the municipal officials, they're very blunt. They say, “We don't know how the hell we're going to look after this. We don't have the money.”

My question is this: In your mind, what's the condition? Do you have any idea what the condition is of those bridges that were transferred from the province to the municipalities? Do you have any idea what condition they're in?

**Mr. Bruce McCuaig:** We recognize that the municipal road system is a critical part of the transportation infrastructure. That's one of the reasons why we've been working with the Ontario Good Roads Association to develop the Municipal DataWorks system.

We have been concerned that some smaller municipalities, in particular in the north or in rural parts of the province, don't necessarily have the same capacity as some of the larger urban municipalities. Can we provide work with OGRA and with the municipal sector to come up with tools to help them in the management of their assets?

The first step is to actually have a strong inventory and a sense of the condition of municipal bridges. With the investment in Municipal DataWorks, we'll be starting to get that information and have that data.

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The second part that I think is really important is the work that we're doing with the Association of Municipalities of Ontario, OGRA and the city of Toronto to talk

about roles and responsibilities for municipal roads and bridges. There have been some concerns raised about fiscal capacity, about whether or not the right roads are with the right jurisdiction. In some cases, municipalities have told us that they believe that a facility is performing more of a provincial function, because it's carrying longer-distance traffic; in some cases, they look at our facilities and they would like to actually have more responsibility for our facilities because they're performing more of a local function.

One of the reasons why we set up this process with AMO and the city of Toronto is to try to work through what is the best arrangement for roles and responsibilities for the assets that are in the system right now. Over the next 12 to 18 months, we'll be working closely with the municipal sector to come forward with some options and some recommendations on how we should move forward.

**Mr. Howard Hampton:** It sounds vaguely like a process that was called Who Does What in 1995-96, which resulted in some of the provincial-municipal realignment.

A technical question: How do you distinguish between a culvert and a bridge?

**Mr. Bruce McCuaig:** A culvert is basically a conduit for drainage purposes. We treat culverts that are three metres or more in diameter as bridges, so they're subject to exactly the same kinds of inspection and other regimes that a normal bridge would be. For smaller culverts that are under driveways or carrying water underneath a highway, we have a maintenance inspection process where they are reviewed on an annual basis.

**Mr. Howard Hampton:** So for what a lot of us uneducated folks would call a big culvert, in fact, the classification is a bridge.

**Mr. Bruce McCuaig:** Yes. A three-metre or wider culvert we would treat as a bridge.

**Mr. Howard Hampton:** One of the things that the auditor identified in his report—I don't know this to be true, but I'd be willing to bet some money on it. They surveyed four municipalities, A, B, C and D. Municipality A jumps out: population 108,177—I think that's probably Thunder Bay; I could be wrong, but I'd bet some money—823 bridges. Overall condition of bridges: fair to poor. Maintenance backlog in dollars: \$117.5 million. Backlog in years: 19.5 years. Isn't that a little scary?

**Mr. Bruce McCuaig:** I think it's important, first, that we distinguish between bridge condition and safety issues. I don't think we have information to understand if we're talking here about safety issues or condition issues. I believe that we're talking about condition of the bridges, which is similar to our bridge condition index.

But again, one of the purposes of working with AMO, OGRA and the city of Toronto is to come up with more certainty about the right roles and responsibilities going forward for the management of these assets.

**Mr. Howard Hampton:** We have the benefit of a backgrounder prepared by some of our very capable research staff. One of the things they point out in going

through the auditor's report is—I think the auditor basically says that they're not certain of what's happening at the municipal level. A lot of municipalities didn't reply. A lot of municipalities do not use your classification framework; they have a private contractor or private contractors.

Let me ask you this. What happened in Quebec was interesting. I actually went back and dug into some of the news reports. After there was a collapse and people were hurt, there was a lot of, "Well, it's not our responsibility; it's their responsibility." I don't think the public cares if you're a municipal politician or a provincial politician; they want to know, how the hell could a bridge collapse and people be seriously hurt? Are you satisfied with what's happened? I'm sure it's a couple of thousand bridges that were transferred from provincial responsibility to municipal responsibility about 12 or 13 years ago. Are you satisfied that they are safe on an ongoing basis for the public to be using?

**Mr. Bruce McCuaig:** We're satisfied that we have been communicating consistently with the municipalities about their responsibilities and obligations under the legislation.

As an example, when the Laval Concorde bridge collapse occurred, one of our first steps was to look to see if Ontario had similar kinds of designs in our inventory or in municipal inventories, and one of the things we quickly discovered is that the bridge was a design that we do not use here in the province of Ontario. In fact, we have, from an engineering perspective, built more redundancy into the kinds of bridges that are constructed here than was apparent in that bridge. So the key issue that happened in that particular collapse is that an element failed and there was no other element to back it up. In our designs, there are other elements to back it up so that even if one fails you don't have a catastrophic collapse such as occurred in Laval.

One of the things that we do in those situations is look at our inventory, look at the municipal inventories, and, if we have similar designs, take immediate steps in inspecting those bridges to see if any action is warranted. We do take that opportunity to communicate to municipalities around the province about what occurred, what we know about what occurred, to remind them of their responsibilities to complete their inspections, and, if we're aware that they have bridges of similar designs, offer our assistance. So we do that on a regular basis.

There was another incident in Minneapolis a couple of years ago where a bridge collapsed, and again we did the same process of trying to understand what happened in that situation, apply it to our circumstance here in Ontario, and communicate with our municipal partners. So we try to take that responsibility seriously as a leader in road transportation here in the province.

**Mr. Howard Hampton:** I notice that there's been a lot of federal money over about the last four or five years that has gone into maintenance of municipal roads and bridges. In fact, I think there are actually three different federal programs: the infrastructure stimulus fund, the

Building Canada Fund and the Canada-Ontario rural infrastructure fund. Right? As I understand it, it's been hundreds of millions of dollars. Why would municipalities have to go to the federal government for hundreds of millions of dollars?

**Mr. Bruce McCuaig:** I'm not sure how to respond to the question, Mr. Hampton. The federal government developed the program to make investments in municipal infrastructure, and roads and bridges were one form of eligible infrastructure, so municipalities have taken advantage of that opportunity, whether it's here in the province of Ontario or in other provinces around the country.

**Mr. Howard Hampton:** Quebec recently decided that its ministry of transportation would assume responsibility for bridge maintenance for municipalities with a population of under 100,000. Does the Ontario Ministry of Transportation believe that it might be worthwhile for Ontario to consider Quebec's approach?

**Mr. Bruce McCuaig:** One of the items in the terms of reference for our work with AMO, OGRA and the city of Toronto is to look at other jurisdictions. Obviously, the Quebec situation is going to be one such circumstance that we're looking at, as well as other provinces and US states. There is a wide variety of different models for ownership, funding and maintenance of infrastructure around North America, so that will be one of the things that we'll be looking at with the municipal partners as we go through that process. So yes, we will be looking at how Quebec is approaching it to see what, if any, application it has to the Ontario situation.

**Mr. Howard Hampton:** Does MTO believe there should be a central database for all municipal bridges and their overall condition, as you already have for provincial bridges?

**Mr. Bruce McCuaig:** We've been investing upwards of half a million dollars to date in the Municipal DataWorks system to create a common database for municipalities, so I guess if money shows our commitment and our interest in such a central system, then the answer would be yes.

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**Mr. Ray Mantha:** May I add that, of 444 municipalities in the province, over 300 have now subscribed to Municipal DataWorks. Two thirds of that number are municipalities of less than 100,000. So municipalities are very interested in knowing, one, the inventory of their assets, and two, the condition of their assets in developing an asset management plan, no question.

**Mr. Howard Hampton:** Every small municipality I've talked to has said to me that they feel they are in over their heads. They don't have the technical expertise. They have to hire outside technical expertise and they're not always sure that, with the outside technical expertise that they are hiring, they're getting good value for money. But the biggest problem is, they simply say, "We don't have the money." That's why—I'm sure it's the city of Thunder Bay that has been backlogged now for almost 20 years. And given what's happening to the

economy of Thunder Bay, I think they're probably in worse shape now than they were when the auditor looked at the scenario.

Just one other question: Has the joint provincial-municipal working group, which was established to identify responsibilities and a funding relationship for roads and bridges, reported yet on the results of its work? Where's it at? Have they published a draft report?

**Mr. Bruce McCuaig:** The work of that group—that is the group that I've been referring to in my comments, and it has met on a few occasions. It has not yet submitted a report. This year, the work plan calls for them to submit a report that speaks to the inventory of municipal roads and bridges around the province, and in 2011 to report on roles and responsibilities for infrastructure. So there is a work program that's been established and there will be some products this year from that process.

**Mr. Howard Hampton:** The Auditor General did this work. He refers to it as "municipality A," "municipality B," "municipality C," "municipality D." Has MTO thought of going to a couple of representative municipalities, doing a thorough inspection of their bridges and then looking at their fiscal and technical capacity vis-à-vis what needs to be done?

**Mr. Bruce McCuaig:** One of the areas of responsibility of the working group is to review the fiscal capacity and the infrastructure that's under the management of municipalities. We expect that the terms of reference, as they are completed by this group, will actually look at different kinds of municipalities—what are their local tax bases and revenue sources and what are their requirements for infrastructure now and in the future—and report back to the group on any recommendations they would have on responsibilities flowing from that information. So that, in some way, is one of the things that the working group has been asked to do.

**Mr. Howard Hampton:** Just one final question. In Ontario, the responsibility for inspection and rehabilitation of municipal bridges has been—you have no legislative authority. You can't require municipalities to inspect their bridges. You can't direct them. I don't think you can order them. But other jurisdictions can. As I understand, in the United States, each state must maintain an oversight role over the safety of bridges through the National Bridge Inspection Standards. Do you think MTO should have that oversight capacity with respect to municipalities, to be able to say to them either, "You're not up to speed on your inspections. You need to get up to speed," or, "You've got a safety hazard here and you must do something about it"? Do you think MTO ought to have that responsibility or that capacity?

**Mr. Bruce McCuaig:** Well, the principle that's established in the existing legislation speaks to municipalities as an order of government that has the capability and responsibility to manage its assets. I think one of the reasons why we have the working group with the municipal sector is to look into those kinds of questions themselves. I don't think we have enough information yet to know what is the right answer—and then, of course,

we'd need to bring that information through the legislative process. It is an area that's going to be looked at through the working group's deliberations over the next year.

**The Vice-Chair (Mr. Peter Shurman):** Thank you, Mr. Hampton—

**Mr. Howard Hampton:** I hope we don't have a Minneapolis within the next year.

**The Vice-Chair (Mr. Peter Shurman):** We all do. Thank you, Mr. Hampton.

Let's go to the government side, Ms. Sandals.

**Mrs. Liz Sandals:** Thank you, Deputy, for your presentation. I'm going to respond to the question, which was somewhat political, about funding. It seems to me, perhaps, a credit to ROMA, the Rural Ontario Municipal Association, and OGRA, the Ontario Good Roads Association, and the province all lobbying together that, in fact, we have engaged the federal government in funding infrastructure for local roads and bridges.

The municipality that used to be part of my riding, one of the rural areas, because I used to have some rural municipalities, actually did hire an engineer to go around and check out all their bridges, and they have a lot because there are a couple of tributaries of the Grand River that lace their way through the township. So they were a rural municipality which hired an engineer and over the course of three intakes of COMRIF, which is the municipal-federal-provincial infrastructure program, I think they're now up to about seven or eight bridges which have been replaced through two or three intakes of COMRIF; that's been by going out and getting the documentation from the engineer. They've been really successful in documenting their case and getting the funding to do the bridge replacement.

I want to go back to this whole business of the inspection form and the bridge condition index, because the inspection process seems to serve a whole bunch of different purposes. One is to capture how soon you need to replace something generally, what condition it's in, what urgent repairs may be needed, and if you're deciding to replace or do a major rehab, what components need to be looked at in a major rehab. The bridge condition index seems to be getting thrown around in a lot of the reporting and the discussion as if somehow it's about safety.

Could we talk about what the bridge condition index really represents, because my sense is that it really isn't a safety indicator, it's something else, so if you could expand on that.

**Mr. Bruce McCuaig:** The bridge condition index is not designed to be a safety indicator; it's designed to be an indicator of the asset value. It's designed as a tool to assist us in how we develop our asset management plan going forward, and when and how to make investments in the infrastructure. The purpose of it is to look at the various material components that are built into a bridge: the concrete, the steel, the sidewalks, the lighting, the whole gambit of it, and try to identify the elements that are still in a good state of repair and those elements that

are getting to the point where they're going to need some investment or some kind of work at some point in the future. It really comes up with a composite number to give us a sense of: Where does that bridge rest in the entire population from its overall state of repair or its overall condition? So it's not intended—

**Mrs. Liz Sandals:** When I look at the chart that's up here now, from somewhere somebody is translating the information that was on the first form into some sort of current element value. So without getting super-duper technical, can you explain to us how you got from form 1 to form 2?

**Mr. Bruce McCuaig:** I will do the simple version, and then Mr. Chaput can add in the detail. The simple version, from my perspective, is that an inspector will be using the first form to basically measure—if we take a curb, maybe 100 metres of curbing along a bridge, and there may be a certain portion that had chipping or delamination along it—measure that amount, and then that measurement gets translated into a percentage which goes into the second chart and starts to build a sense of what is the percentage of that element that needs to have some work done and then gets rolled up into other elements as well. Over to our chief engineer.

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**Mr. Gerry Chaput:** That's a very good example. The bridge is broken into specific elements. Some elements are more critical than others. The inspector goes out, as Bruce says, and actually physically measures the areas that they feel require work, which is translated into a percentage. The percentage is applied to the total value to replace that element. It's totalling all of those elements up. We've shown five or six here as an example of some of the elements, but there are many more. As I said, there are probably over 20 per bridge. It's coming up with basically a financial indicator of what the bridge has depreciated to today and what it would cost to replace it. When you divide those two numbers, the depreciated cost over the replacement cost, you come up with this ratio. In this case, it's 72.6.

If you look at this like your car, if I buy a new car that was \$10,000, and I drive it off the lot up to Thunder Bay and back—

*Interjection.*

**Mr. Gerry Chaput:** Over two days of long driving.

**Mrs. Liz Sandals:** Three maybe.

**Mr. Gerry Chaput:** Maybe three. I've put on a significant number of kilometres. I might have spilt my coffee along the way and stained the seat. I can't sell my car for \$10,000; it has depreciated. It has gone down to \$9,000.

If I use that simple example, the \$9,000 divided by \$10,000 is 90, and that's basically what we're doing with the bridge. We're measuring what we think needs to be repaired, and whether it's a bearing, a railing, a curb or a major girder in the bridge, those costs are then divided by what it costs to replace that. You come up with an index. The index is an indicator; it's not the safety value.

The safety comes in when you are doing the inspection to determine those values. Yes, I may be walking across the bridge to measure the area of rust or staining or concrete that seems to be bulging at this one point, which would mean it needs to be spalled on the barrier. However, I notice, while I'm doing that, that the expansion joint is jammed or that there's significant settlement in one corner. That's what the inspector is looking for in terms of safety.

That's what gives them the idea that, "Okay, I'm going to be doing my bridge condition index; that's fine. But this is an urgent need. This needs to be looked at immediately." Or if there was a significant crack that had staining that was proving that salt was infiltrating, if it looked like—and they're very well trained. They know what a shear crack is, which is different from just a normal crack. They're able to understand, through the training that we provide every two years to our inspectors, what the difference in those is. That's how they assess the safety.

Safety inspections aren't just limited to the two years. We have maintenance inspections that go on every six months because that helps us program our preventive work to extend the life of our bridges. That occurs in the spring and fall. On top of that, we have highway patrollers who are on the road every day. They, on our busiest highways, go over those bridges every single day and, in the winter, every single shift.

Again, they're driving over those bridges. If they sense a bump that was never there the last shift, if they sense a different noise, a thump-thump of the expansion joint that wasn't there, they understand that they've got to get out of their truck and look at it. These guys aren't driving around with cruise control on; they've got a yellow light for a reason. They have to stop, pull over on the shoulder, get out and look at these things in more detail. That's where the safety aspects come in. That's where, if they see a problem, they call the engineers in to look at the stuff immediately. If it requires a closure, they do it.

That's the difference between the BCI and the safety. BCI is strictly financial.

**Mrs. Liz Sandals:** So if we used your car analogy, the BCI might tell me, if this was a car, when it would be a good economic time to trade my car in. It's got nothing to do with whether or not my car is safe, if I've been maintaining the brakes properly and the wheel bearings and all the other stuff. It might make an economic argument that I should trade my car in and get a new one, but that's got nothing to do with whether or not I've maintained it properly and it's safe to drive.

**Mr. Gerry Chaput:** Yes.

**Mrs. Liz Sandals:** Thank you, because you explained in there that this isn't just every second year that there's a bridge inspection; that in fact you've got fall and spring checkups and then you've got the daily patrols that are ongoing, both for road conditions and bridge conditions.

It strikes me that part of the issue, when people look at bridges, is that what looks good and what is safe aren't

necessarily the same thing. People may look at a bridge and say, "That doesn't look very good." For example, you used the example of a sidewalk going over the bridge, and because of cracking and stuff, there are some chips out of the sidewalk and some concrete has flaked away out of the sidewalk. Presumably that has nothing to do with safety.

**Mr. Gerry Chaput:** Yes—

**Mrs. Liz Sandals:** But if somebody walks across the bridge, it doesn't look very good. Both of you have mentioned spalling on a number of occasions, where surface concrete has been actually deliberately chipped away by the maintenance people so that it doesn't fall down below on somebody going under the bridge. But that may expose some of the reinforcing, and people drive along and they see the reinforcing, the steel, showing. Is that a safety issue?

**Mr. Gerry Chaput:** No. Concrete is a very interesting material. It's made of sand, stone and a cement paste, with water. When it dries, it cures and it becomes a very strong material.

In compression, when you squeeze concrete, it is very strong. When it's weakest is when it's in tension, when you're pulling concrete. That's why there's steel within concrete, because the steel provides the strength in tension.

The fact that the steel is exposed does not reduce its ability to withstand that tension. The concrete around it provides a cover that protects the steel from rusting. At times, water will still infiltrate through the concrete.

In our older designs, the amount of cover over the steel was much less. Now our standard has improved so that it's three inches, or 75 millimetres. In the past it wasn't there. We've also got new materials other than steel, or different types of steel—stainless steel, for example, or epoxy-coated—as well as glass-reinforced polymers that we're using as well. These are some of the newer innovations.

In addition, we waterproof our decks so that the water cannot leak through the asphalt and through the concrete and into that steel and corrode it.

To answer your question: Yes, the steel may be exposed, and it may look awful—it will be rusty—but it hasn't taken away from the strength of that bridge.

What we are looking for is if the steel is still covered but the concrete is bulging, or popping. We call it popping—

**Mrs. Liz Sandals:** Because at that point, it has started to degrade.

**Mr. Gerry Chaput:** The safety risk is not of the girder collapsing, but of that small piece of concrete separating from either the girder or the steel. That's when we go in and chip that off, before it happens. We're well aware of when that happens. It usually happens in the spring thaw, when the water's flowing. When it's freezing at night and thawing during the day, it causes that expansion. We're well aware of the types of bridges it occurs to and the ages of those bridges that it occurs to. It's usually on the older bridges, where, as I mentioned,

they didn't have this cover, or they didn't have the different types of reinforcing steel.

It becomes a regular maintenance program. The maintenance crews and the bridge inspectors know that on this bridge, every year, we're going to go out and knock those pieces off, until we rehabilitate it.

But it's a holding strategy. The bridge remains safe; there are no issues that way. It's just a holding strategy to keep it functioning so that we can either get better value by combining it with other work, or perhaps it's a bridge that's going to be expanded wider, so we're waiting until that need is there before we take it down and rebuild it.

**Mr. Ray Mantha:** If I may add just one point: Gerry touched on the fact that some bridges require attention every year. The same would apply to the inspections. We have a flag in our bridge management system that flags those bridges that require annual inspections. We're well aware of the condition of the bridges and, where appropriate and where needed, we inspect more rigorously and more frequently.

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**Mrs. Liz Sandals:** So if you've got a bridge that's in a holding pattern, then you will make a point of inspecting it more regularly to make sure the maintenance keeps it in good condition on the holding.

**Mr. Ray Mantha:** We recognize that like your car, it requires more attention than a new car.

**Mrs. Liz Sandals:** When we're talking about bridge inspection, one of the areas that the auditor suggested might be a matter of concern was that the manual seems to require a two- or three-hour inspection and there seemed to be instances where people were signing off on 10 inspections a day. Can any of you comment on what's happening there? Is it a problem? What are you doing about it? What's going on there?

**Mr. Bruce McCuaig:** Thank you for the question. Yes, that was one of the findings of the Auditor General, that there were some instances where upwards of 10 bridges appear to have been inspected in a single day—I think he identified 36 instances of that occurring. All those bridges have been reinspected and we've determined that there are no safety issues associated with those bridges.

Some of those bridges had high bridge condition indexes and were in relatively close proximity to each other, so that will help explain to some extent why so many bridges may have been inspected in a relatively short period of time. There are also instances where some of the bridges were partially inspected on one day, and then they came back and completed the inspections on another day when, for example, there might have been better access to part of the bridge.

There is a variety of reasons why it may occur, but we want to come up with a process to make sure that a minimum amount of time is contractually set aside to ensure a thorough inspection in all cases. In September, we did issue a policy confirming the accountabilities for inspectors, whether they are our own staff or whether they're contractors. We've made it clear in our docu-

mentation and in our contracts how much time is expected to be spent on any particular inspection. We're also conducting spot audits to make sure that that work is being done. I mentioned earlier on about the photo time-and date-stamping as a means to ensure that the inspections are being taken as we require them to.

We think we have come up with some actions to address those issues, to make sure that the real and legitimate concerns that were raised by the Auditor General are addressed.

**Mrs. Liz Sandals:** I'm assuming that in that standard, there would still be some time variability so that if you've got a small new bridge, it won't take as much time as a big old bridge.

**Mr. Bruce McCuaig:** Yes, the time requirement will actually vary from bridge to bridge. So for a small new bridge versus a longer-span, more complex older bridge, there will be different kinds of requirements.

Gerry, do you want to add anything on that front?

**Mr. Gerry Chaput:** Sure. What we have done is categorize the bridges into categories, basically four, A, B, C and D, with the lowest being one and a half hours—and that would be for a smaller bridge that's relatively new—to five hours or greater. The five hours or greater could be several hours greater when you consider bridges like the Burlington Skyway or the Garden City Skyway, which are much longer, much larger and have different components that require inspection.

**Mrs. Liz Sandals:** I presume if you use those two skyways as an example, that's going to be a very long process, given—

**Mr. Gerry Chaput:** Yes. In addition, our bridge management system, the software that we use, is also being changed, so it also includes those A, B, C and D categories. Inspectors are required to submit a plan before they go out saying which bridges they're going to do that week. Obviously, we can add up those numbers. If they've got more than 10 bridges a day, then we know we have a problem.

**Mrs. Liz Sandals:** Thank you. I'm going to turn it over to Ms. Van Bommel now.

**Mrs. Maria Van Bommel:** In the auditor's report, he talks about outsourcing—that you outsource the majority of your work on projects. I think we all know that when you outsource, you lose a certain amount of control over what's being done. What kinds of checks and balances have you got in place to ensure that you're aware of the work that's being done, that you have control and that you can follow up to make sure that it is really being done the way you want it done?

**Mr. Bruce McCuaig:** MTO has a long history of partnering with our service providers. That includes the design process for highways and bridges. It can include construction, it can include the construction oversight and, obviously, the maintenance aspects as well.

Our approach has allowed us to keep high standards in the province, but we also believe that we're delivering very good value for taxpayers. Checks and balances are very important in those processes, and we extensively use

a variety of different manuals, guidelines, standards and policies that must be adhered to by our contractors. Those are supplemented by the contracting documents themselves, the legal agreements, and we use a variety of different performance evaluations, ratings, and quality of work. Those kinds of performance ratings are used to evaluate contractors after they've completed the work, so it actually impacts your ability to get work in the future.

We use penalties to impose on our contractors if they have an environmental, worker safety or some other kind of infraction. We do use penalties to influence their behaviour going forward. We use third parties to certify the work that has been done as well. We have a reputation with our contractors that we're tough but fair. I think the toughness comes from the fact that we have a strong regime of standards and other tools that we use to make sure that we get the value we're looking for. The fairness, I think, comes from the fact that we also have a fairly significant regime of dispute resolution and rating systems, that they feel that there is a process to have a conversation with the ministry to talk about issues when they arise.

**Mrs. Maria Van Bommel:** So has it ever happened that a contractor was so bad that you had to stop the work, basically?

**Mr. Bruce McCuaig:** What we typically try to do is work with the contractor as much as we possibly can to get the work completed. It's very rare, because our contractors typically have been working with us—there are about 150 of them—for, in some cases, decades, so they have a lot of experience in delivering on ministry work. Typically, what happens when there is an issue on a job site is penalties start to impact their ability to get future work from us. So their ability to bid on other work gets reduced, and in some cases, I guess, it could get to the point where they're actually not able to get work for a period of time. That has certainly occurred in some cases.

**The Vice-Chair (Mr. Peter Shurman):** Ms. Van Bommel, thank you. Time. I have a question or two before we go into rotation again. You'll get another shot.

I'd like to characterize, in my words, what I've heard so far and see what your reaction is to what I'm thinking. I'm thinking that I hear a good approach to the inspection process from a technical perspective, the way you've described it, with your charts, and so forth. I'm seeing a good response on the part of the ministry to the AG's report insofar as dealing with road closures for bridge inspection that weren't taking place, that have taken place in good number since the issuance of that report. I'm seeing—my word—a "disconnect" in how we deal with municipally managed bridges: not only municipally managed bridges, but bridges that are under, I guess, sponsorship of private organizations—snowmobiles and such.

On the one hand, you express the fact that you want to help: the database is open, and you encourage municipalities to do what they have to do. But as of now, there's no legal mandate that allows you to force any municipality or private organization to participate or to do the work

that it undertakes to do, says it's going to do or wants to do but can't do. Is that a reasonable characterization, Mr. McCuaig?

**Mr. Bruce McCuaig:** I would say I do agree that we have a strong and comprehensive approach to our inspection process. I believe the ministry is committed to managing its inventory of assets professionally and takes its responsibility seriously. We also believe that the Auditor General has given us some very sound advice in terms of how we can enhance those systems even further. I believe that we've come up with a strong and comprehensive action plan to deal with the recommendations and suggestions from the Auditor General.

In terms of municipal bridges, I guess what I would say is that the province—the Legislature—has established a system that provides rules and responsibilities for the ministry, in terms of our own bridges, and said that municipalities have to do their inspections. They have to follow the manual, and it's their obligation as an order of government to do so.

1400

**The Vice-Chair (Mr. Peter Shurman):** So is that a disconnect?

**Mr. Bruce McCuaig:** I'm not sure I would characterize it as a disconnect. I would characterize that as the law of the land that has been established by the province of Ontario.

**The Vice-Chair (Mr. Peter Shurman):** But at the end of the day, regardless of what the law of the land as established by the province of Ontario says, there are municipal bridges—and I don't want to put words in your mouth so I want to be careful on this—that I see as likely not being in good shape at all because there's nobody there to enforce the mandate that those municipalities or private organizations have to do what they have to do.

**Mr. Bruce McCuaig:** I think there is a responsibility on those municipalities, as an order of government, to carry out their obligations and responsibilities. Whether it's a recreation centre or whether it's sewer and water facilities, or whether it's a road and bridge, I think municipalities have their responsibilities to manage their assets. I think that the way the systems have been established is that we've given accountability and responsibility to those municipalities and their councils to do that.

**The Vice-Chair (Mr. Peter Shurman):** You never considered running, did you? Forget it, it's a rhetorical question.

Ms. Savoline.

**Mrs. Joyce Savoline:** Where do you live, first of all?

I'm going to go to the question concerning funding for bridges and how you assess how you spend one-time dollars, as you did recently, to fund some municipal capital projects. The provision of these one-time funds was primarily based on demographics rather than needs. That somehow doesn't seem fair to me. Coming from the municipal world, I know how that works.

Also, what didn't work in that is that it was year-end money flowing out the door at the last minute, so it was time-sensitive and folks needed to have their projects

ready to move out the door, and yet in some municipalities where the needs were great, they couldn't ever have met the time frames that the province required to get those projects done. There needs to be a better way of dealing with things like that, especially with those one-time monies that, obviously, you need to spend before your year-end, and yet municipalities may not be quite at that place with their critical projects in order to be able to move forward in the province's time frame.

So is there any movement to setting a better asset management practice in that regard, providing more predictable, sustainable funding to municipalities so that they're not scrambling at the last minute and the wrong projects get done instead of the right ones? Because we are talking about maximizing safety, and bridges are all about that. I stood under a bridge that I didn't travel again after looking at it from the bottom, so I know what this speaks to. Is there any thought being given to how you deal with that and not all of a sudden say, "You have 30 days to reply with your finished project details, engineering, whatever, or you don't get the money," and somebody else who has a lesser need gets a cosmetic fix to a bridge rather than a critical safety issue fix?

**Mr. Bruce McCuaig:** Thank you for the question. I think it goes to one of the real roots of the interest by all parties to have an inventory like the Municipal DataWorks system so that we have an ability to distribute funds not simply on a demographic or a population basis, or on a lane kilometre basis or a number of bridges basis, but on the basis of condition and need, and capacity of the community. The work that we've been doing with the Ontario Good Roads Association and the work that we'll be doing with the working group, with the municipal sector more generally, is going to be helping us to move in the direction where we can be as strategic as we possibly can be in making those kinds of investments. I think that's a big part of why we're partnering with OGRA and that we're working with the municipal sector.

To the extent that municipalities don't have the ability to spend the money on road or bridge projects, there are very few programs that prevent them from spending the money on a project that they can't get going on until next year, for example, because it's too late in the construction season or something of that nature. Clearly, the stimulus funds that the federal government has established, and partners with the provincial government on, have time limitations on them. But by and large, the other programs should have enough time to allow municipalities to program work. It may go to some of the discussion about, "Do municipalities have projects that are already identified, which, if they have the opportunity to make an investment, are ready to go?" That may be something that we need to talk to municipalities about.

**Mrs. Joyce Savoline:** Okay. Given that I'm talking about safety of structures, and sometimes these one-time, quick announcements at provincial year-end are a surprise to municipalities and they can't get it all together—and I know that you're in the municipal-provincial working group discussing all these things. Given that, in

my opinion, there's a time sensitivity to the issue that I've described, can that not be moved out of that group and a decision made on it so that if this year, all of a sudden, you come up with a one-time announcement, once again, municipalities that have critical projects that they would like to get off the ground, but haven't quite dotted every "i" and crossed every "t" and can't move on your offer—it just doesn't seem fair. To me, it is not a workable solution to projects that might have safety issues for the public involved.

**Mr. Bruce McCuaig:** Thank you for the comment. I'll certainly go back and we'll have a conversation about how we structured some of those programs. Obviously, there are some time-limited programs, so they may have a three- to five-year life cycle, and a recipient of a grant needs to consume the funding within five years, for example. But by and large, those kinds of timelines are not going to constrain the kinds of projects we're talking about.

**Mrs. Joyce Savoline:** No, I'm talking about quick announcements.

**Mr. Bruce McCuaig:** In the gas tax funds for transit, for example, there are lots of cases where municipalities put the funds that have been transferred to them into a trust fund. They may not have a purpose for those funds this year, or they're working on a bigger project for the following year, so they put their allocation this year in this account, and then next year, they combine it with their next year's amount, and they can do a bigger project.

**Mrs. Joyce Savoline:** Ah. But Mr. McCuaig, those to me are predictable amounts of money. I'm talking about year-end announcements, where in March, you say, "Whoa, we've got X millions of dollars. Who's ready to go with something?" It's usually based not on need, but on some other criteria like demographics. Those are hard for smaller municipalities especially, that don't have the sophistication and staff, to move forward. And I've heard that as an issue, being a member of AMO and going to Good Roads and ROMA. That's why I'm raising it.

Is there some thought being given to move that out of the working group and come to some resolution, should the province make another one-time announcement with surplus year-end funds that you want municipalities to have?

**Mr. Bruce McCuaig:** Thank you for the comment. We'll look into that. My recollection is that—I'm just going by memory here, so I may be wrong on this point, but on projects like the Investing in Ontario legislation from 2008 and the road and bridge funding that was provided in 2007—I don't think there were time limits on those funds. So maybe they weren't planning to receive the funds, but I don't think that there was any constraint on their ability to put them in trust. Maybe they don't have a ready project at that moment, when those funds come in, to expend the funds on, but that doesn't mean they can't necessarily develop a project to utilize those funds.

But I'll certainly go back and look at those projects and refresh my memory on that. Thank you.

**Mrs. Joyce Savoline:** Incomplete maintenance and work tracking: The auditor observed, when he was doing his work, that regions tended to not complete many of their maintenance recommendations that resulted from those biannual bridge inspections. He reported that in two of the three regions visited, only about one third of the recommended maintenance work was actually completed. The third region didn't even track whether the recommended maintenance was done. Have you, at the ministry, in your regions taken any steps to improve this linkage between the biannual inspections and the actual work that's undertaken?

1410

**Ms. Bruce McCuaig:** First of all, I want to emphasize that safety is our first priority, so if there are items that come out of an inspection or a patrol or some other kind of review that points to a safety priority to do work, we do that right away.

We do accept, from the Auditor General's work, that our record-keeping and documentation needs to be improved. Mr. Chaput spoke earlier about building into our systems loopback mechanisms so that when an inspector identifies necessary work, whether it's urgent or whether it's maintenance work, there's a way to record that that has been reported, there's a way for the recipient of that work order to acknowledge that they got it, and there's a way for the work order to be shown to be completed and checked off. We built that into our processes going forward on a paper basis, and what we want to move towards as we update our computer systems is to make that as electronic as possible so that we have a documented paper and electronic trail that this piece of work was recommended, it was assigned, it was completed, and the inspector knows it has now been completed.

Gerry, do you want to add anything to that?

**Mr. Gerry Chaput:** I don't think I have much to add, other than the fact that on that form there was the comment for urgent work, and that's the preventive maintenance that's taken immediately. The cosmetic: Yes, there may be work that is on that form that is cosmetic, and that may not be done or may be postponed, but we would never postpone or delay urgent work that was required.

**Mrs. Joyce Savoline:** What you're saying, then, is that when the auditor says that in two of the three regions visited, only about one third of the recommended maintenance work was done, you would consider—you're telling me today that that was the urgent work that needed to be done, and the other two thirds was not urgent, that it was simply identified?

**Mr. Gerry Chaput:** I don't have those reports in front of me, but that's more than likely the case, yes.

**Mrs. Joyce Savoline:** Okay. What about the third region, which didn't even track what was recommended? What's happening there?

**Ms. Bruce McCuaig:** It goes back to my original comment about setting into place better documentation of work that has been identified and demonstrating that it has been completed. We're moving to implement

basically a central system that allows us, from St. Catharines, where Gerry is located, or other locations, to be able to track that kind of work.

**Mrs. Joyce Savoline:** When did you say that would be completed?

**Ms. Bruce McCuaig:** We're moving immediately to have the paper component of that done so that there's an ability on these forms to flow that information in, to document that the information has been received, and then to document, by the office doing the work, that they've done the work. That's being done immediately. Where we have to spend more time is in adjusting our electronic systems, because ultimately we'd like to be able to record that information electronically in our systems. That will probably take three to four years.

**Mrs. Joyce Savoline:** You have already started a paper file on things like that, and the electronic will follow. Okay.

**Mr. Gerry Chaput:** If I might add as well that the other thing we're doing is preparing guidelines to help inspectors, to make sure they understand the difference between urgent and maintenance needs and to help them prioritize some of those non-urgent needs so that we can address more of them. Those guidelines are also being prepared and will be part of our biannual training that we provide every two years.

**Mrs. Joyce Savoline:** Okay. You spoke earlier—I think it was Ms. Sandals who asked the question, and you answered by saying that you keep track of the parts of—I can't remember the word you used for it, the parts of bridges, the little bits that break off, usually in the springtime after the freeze and thaw. Let's say it has been identified and somebody goes out and does the repair work on it. Is there a system set up so that a week later or a couple of weeks later, somebody goes back to check to make sure that the repair held or that the same thing didn't happen in another part of the bridge, given that it was already showing some signs of it happening in one place?

**Mr. Bruce McCuaig:** I think there are two parts to that. One is quality assurance of any work that the ministry contracts out with its service providers. We do have systems in place to ensure quality assurance. Whether it's a culvert that we make sure is installed properly, or whether it's certification of materials by a laboratory that the concrete is sound, there are different mechanisms that we have in place for quality assurance.

The other part is, to an earlier question from Ms. Sandals, we talked about the patrolling. On our busiest highways, we have patrollers out there on a daily basis. If they see the same thing happening on another portion of the bridge, then they will get out of their vehicle, take a look at it and report that in.

Those kinds of daily, in many cases, driving up and down the highways, looking at the bridges, is occurring year-round. As Mr. Chaput indicated, in the winter it's at least three times a day that those kinds of patrols are occurring.

**Mrs. Joyce Savoline:** It's one thing to talk about the integrity of the structure and the fact that the bridge isn't

going to fall down because a piece chipped away, but where that piece lands is a huge safety issue to who is going under that bridge. That's why I'm asking.

**Mr. Bruce McCuaig:** Absolutely. Right.

**Mrs. Joyce Savoline:** If you've got one piece chipped, it's likely that other little bits will chip too.

**Mr. Bruce McCuaig:** The patroller will distinguish between chipping that's occurring in a place that vehicles do not travel under, versus chipping that's occurring over a travelled lane. Obviously, anything that's occurring over a travelled lane has to be dealt with immediately.

**Mr. Chaput,** you'd like to add something?

**Mr. Gerry Chaput:** In a little bit more explanation of the procedure that's used, it's not a simple one-hour job. They go over the whole bridge. It takes days, during the lane closures. They'll close a lane; they'll do that section; they'll do every girder. They don't just do sort of what they think might be, or the one square metre that was identified. They'll scan the whole bridge during this maintenance repair, and break off probably even more than just what's chipped. They'll go right until they hit solid concrete so it's not an issue. They do it against the whole bridge. They don't just focus on one lane or one centre. They'll go down the whole length of the girder until they hit that sound concrete.

**Mrs. Joyce Savoline:** Okay. Just to go back a little bit, to Mr. Hampton's question, and I think I alluded to it too: Do you see the value for a central database for all structures, culverts, bridges, regardless of whether they're provincially owned or not?

**Mr. Bruce McCuaig:** Yes, and we're investing in the DataWorks system, because we see the value of having that kind of inventory information across the province.

**Mrs. Joyce Savoline:** When do you think that will be ready?

**Mr. Bruce McCuaig:** The DataWorks system is functional now.

**Mrs. Joyce Savoline:** Okay.

**Mr. Bruce McCuaig:** As Mr. Mantha indicated earlier on, about 300 municipalities are starting to input data into the system. The \$750,000 that I indicated earlier—we're partnering with the Ontario Good Roads Association—is intended to do a bit of a speed-up of the input of information into the system so it can be as functional as it possibly can, as early as it can be.

**Mrs. Joyce Savoline:** Okay. In the case of a bridge that does not require lane closures—an inspector simply parks the car and inspects the bridge—how long would you see a normal bridge inspection taking place?

**Mr. Gerry Chaput:** Sorry, how long would—I didn't hear the—

**Mrs. Joyce Savoline:** In an average day, a bridge inspector arrives on the scene at 8 o'clock in the morning. How long would it take to inspect a bridge?

**Mr. Gerry Chaput:** It's a function of the bridge, its size and its age. As we categorize them, we feel it should take, for even a new bridge that's relatively small, a minimum of an hour and a half. For much larger bridges,

we've left it open; at least a minimum of five hours, but likely days.

The process is very repetitive. The inspector has to park his car. He has to walk out there. He walks across the deck, probably on both sides. If he can't cross the road safely, he gets in his car, turns around in the intersection, comes back, parks it on the other side and does it.

They go underneath the bridge. They walk down and if they can access the piers, they go out to the piers. If not, they drive on the highway and, again, pull off on the left, behind the guardrail, go out and access the piers, assess them. It takes a lot of time and a lot of it is back and forth, because they're writing down those quantities and the deficiencies that they see. They're calculating those areas as they go. They're documenting all of that, and all of that takes time. That's why we came up with those minimum inspection times and put them in the contracts, so contractors knew what they were bidding on, what we expected of them and what we're going to be holding them to.

1420

**Mrs. Joyce Savoline:** How do you monitor that that amount of time is actually being spent on the bridge? Because all they have to do is submit to you a form that says "bridge has been inspected"—right?—and tick off whatever areas need to be ticked off. How do you know that they spent a minimum of one and a half hours?

**Mr. Gerry Chaput:** We have ways of checking in terms of the report. First, we count on their professional integrity. These are professional engineers who are responsible for that. Obviously they have a duty to protect the public and the safety of the public is paramount, so I can't see them shirking on that responsibility. Having said that, we have oversight requirements in place. As I mentioned, they are required to provide us with an advance plan that tells us what they're going to do that week so we can at least assess whether we think that's possible or not, given the types of bridges and the categories therein.

We have patrollers who go out on the road, who might, in turn, say, "He was out here but he wasn't out here for an hour." We have those types of questions we can ask, and just general oversight—

**Mrs. Joyce Savoline:** So there is monitoring.

**Mr. Gerry Chaput:** Yes, there's monitoring, of course, of each assignment.

**Mrs. Joyce Savoline:** Thank you.

**The Vice-Chair (Mr. Peter Shurman):** Thank you, Ms. Savoline. Over to the NDP, Mr. Hampton.

**Mr. Howard Hampton:** I have a few more questions. I apologize if I haven't gotten the gist of this, but I want to be very clear. You do maintain certain data management lists in terms of bridge condition and so on.

**Mr. Bruce McCuaig:** For the province's bridges, yes.

**Mr. Howard Hampton:** So does MTO keep a list of bridges which fall under municipal jurisdiction that are most in need of, let's say, replacement or fundamental reconstruction? Do you have a list of municipal bridge infrastructure that ought to be worked on, upgraded, refurbished?

**Mr. Bruce McCuaig:** The ministry does not have an inventory of municipal assets. Again, one of the purposes of investing in the Municipal DataWorks system is to create that kind of an inventory.

**Mr. Howard Hampton:** Does any other ministry in the government have that kind of list, that you know of?

**Mr. Bruce McCuaig:** For bridges?

**Mr. Howard Hampton:** Yes.

**Mr. Bruce McCuaig:** Not that I'm aware of.

**Mr. Howard Hampton:** So I look at your remarks. Since 2005, the province has spent more than \$500 million to support improvements to municipal roads and bridges. This was accomplished through the Canada-Ontario-municipal infrastructure fund, the Building Canada fund, the infrastructure stimulus fund. If \$500 million was handed out, how were any decisions made about where that money was to go?

**Mr. Bruce McCuaig:** Many of those programs were application-based programs. Municipalities brought forward their proposals for how they would like to invest funds, and then those projects were evaluated by the federal and provincial governments. In the case of road or bridge projects, the responsible ministry—if it was the Canada-Ontario municipal rural infrastructure fund, it would be the Ministry of Agriculture, Food and Rural Affairs. They would come to the Ministry of Transportation for our technical advice on the quality of the application, the nature of the project, and we would provide our advice on that proposal. Then the governments would be evaluating all of those projects across different infrastructure categories and coming up with a decision on what projects will be funded at what levels.

**Mr. Howard Hampton:** But if MTO doesn't have a list of bridges that need the work the most, or which, according to the criteria you use for provincial bridges—if you don't have that information, how do you offer advice?

**Mr. Bruce McCuaig:** What we would have is the material that's submitted by the municipality, which would talk about the nature of the project, why the project is important to the community, and there would be technical information in there about the nature of the bridge and the roadwork that is being proposed. There would also, perhaps, be inspection reports that are included that talk about what has been found and what kind of deficiencies they are trying to address. They may even be at such a state of design that there actually is a tender package that's available, because it may be work that they had been planning to do at some point in the future and they had the project ready to go. So there would be a variety of information coming to the ministry, and we would be evaluating that information.

**Mr. Howard Hampton:** Which takes me back to the point Ms. Savoline made earlier, that sometimes the money goes to projects that are ready for tender, not necessarily projects that need the work.

**Mr. Bruce McCuaig:** I guess another way of putting that, though, would be that municipalities are preparing projects for tender because they are projects that need to be done. So I would expect that municipalities are bring-

ing forward, from their perspective, their most important projects.

**Mr. Howard Hampton:** Let me ask you this question. Do you think MTO should be charged with keeping such a list? Would it help ensure that infrastructure money is used most effectively if you had such a list?

**Mr. Bruce McCuaig:** I think the ministry would believe that it's important to have an inventory system like the DataWorks system that would allow us to move to different ways of evaluating bridge needs. We think that's a very important tool that would allow municipalities to make the case to federal and provincial governments about what infrastructure needs are out there. That's why I believe it would be important to municipalities, and I think it will be important to provinces and the federal government to help them make choices about investment levels and distribution of funds. So yes, it's important.

**Mr. Howard Hampton:** I'm not sure this a fair question for you, but I'll ask it anyway. You seem to be rather good at handling them. That's not a criticism, by the way.

**Mr. Shafiq Qaadri:** It's not praise, either.

**Mr. Howard Hampton:** Given that the federal government has said that things like the infrastructure stimulus fund and the Building Canada Fund are now going to come to an end, that they're in a different mindset now—the mindset now is balance the budget—and given that the municipal roads and bridges in Ontario have literally received hundreds of millions of dollars out of those funds over the last three or four years, where do you see the money coming from now to do that urgent—I look back at Thunder Bay, a 20-year backlog, a \$100-million backlog—where do you see the money coming from to tackle what I think are probably some pretty serious public safety issues?

**Mr. Bruce McCuaig:** I think it's a good question, and it's not just an Ontario question. I think we could probably ask the same question in any province or territory across the country, and—

**Mr. Howard Hampton:** But I'm elected in Ontario.

**Mr. Bruce McCuaig:** We are having conversations with our colleagues in other provinces and territories about where the infrastructure priorities are going forward, because we hear the same statements about the focus of the federal government in the future. There has been a lot of investment made by both levels of government over the past five to 10 years, and we had previously identified where some of our areas of most priority and need are.

Now that we've made many of those investments, we need to again sit down as a group and think about what our needs are going forward. Is it municipal infrastructure? Is it provincial infrastructure? Is it transportation or is it other forms? Is it transit? So I think those are conversations that we have across all provinces and territories with the federal government, and then we need to think of what our own interests and priorities are here in Ontario.

So yes, those are conversations that I would expect that not just MTO, but every provincial ministry would

be having as the infrastructure programs start to wind down from the federal government over the next year.

**Mr. Ray Mantha:** If I may add, Deputy, even more important, then, is the establishment of DataWorks, because DataWorks creates an inventory of not only bridges, but roads and water and sewer and light fixtures and pavement conditions—every aspect of the municipal infrastructure. So absolutely the first step is knowing what we have. You can't manage what you don't know, to put it simply.

**Mr. Howard Hampton:** I have no further questions.

**The Vice-Chair (Mr. Peter Shurman):** Thank you, Mr. Hampton. Over to the government, and I believe it's Dr. Qaadri.

1430

**Mr. Shafiq Qaadri:** I was intrigued by Mr. Chaput's medical analogy of the bridge with left shoulder pain. Of course, I'm aware of the various requirements for that sort of triage, but I wanted to ask: What special sort of training and qualifications do you actually need to be a bridge inspector in Ontario? Is there additional training beyond the certification or engineering licence or P.Eng.?

**Mr. Gerry Chaput:** Thank you for the question. In terms of the training, yes, we first require professional engineers under the legislation. We're the only province in Canada that has that legislation that they be inspected by professional engineers, but to do work for the Ministry of Transportation, we also require them to undergo training performed by the Ministry of Transportation. So if they have not received our training, they're not eligible to bid on those projects or to perform those bridge inspections on our behalf.

The training occurs every two years, and to continue with the inspections, they must continue to receive the training. The training takes place over three days and it requires both classroom and field inspection activities, so they not only learn new techniques but they find out what's new in technology, as well as inspection procedures, what to look for. They then go out in the field, do inspections and then they come back on the third day and review the results of those inspections to determine whether they were in line or whether they were out of line, and to determine what might have been seen as some problems or issues, or "Did you catch this component on that bridge?" It's an ongoing certification program. It's training that's provided every two years, and they must have that training to perform those inspections on our bridges.

In terms of the redundancy aspect, we do that training every two years, and on the off year, we actually perform an internal audit. We usually do approximately 50 bridges per year—10 bridges in five geographical areas of the province. Our inspectors will go out from head office, perform re-inspections on the very bridges that were inspected the year before and assess where there were issues, whether they were using actual measurements to

understand the deficiencies in the elements, whether they were catching the same deficiencies that the bridge inspectors were that went out on the audit, and any documentation issues as well.

They use this information; they go back to the region to obviously update them on their findings. It allows us to perform bridge investigations that are less variable, so we get more consistency, and it also provides us with information that we can use to set up training for the next year. For example, in the audit, if we notice that they were missing a certain type of deficiency or misinterpreting a part of the guide, we can change the guide, we can reference it in our training in the upcoming year and ensure that everybody's back on the same page as they proceed.

**Mr. Shafiq Qaadri:** Just one other question to sort of dilute and concentrate, at the same time, all this BCI and your various indices, and uphold the public interest: Are you telling me that we have a lot of ugly but safe bridges?

**Mr. Gerry Chaput:** I don't think they're all ugly; there are some that are very attractive. But if it's ugly, it is safe. I can say that with confidence, because of our inspection procedures, because of the fact that our manual has been adopted by several jurisdictions in Canada: Saskatchewan, Manitoba, Quebec, Ontario of course, Nova Scotia and PEI. Yes, I can say that with confidence: It may not look pretty but it's safe.

**Mr. Bruce McCuaig:** Just to add one point on it, I know that earlier on a reference was made to the Minneapolis catastrophe a couple of years ago and if it could happen in Ontario. I'd just like to make sure that everybody knows and is comforted by the fact that those kinds of circumstances would not occur in Ontario. One of the significant causes of that particular event was overloading of the bridge during reconstruction and they were storing construction materials on the bridge. We do not allow that to occur in Ontario, so that kind of an event could not occur in the province.

Again, whenever one of these events occurs in other jurisdictions, we very carefully take a look to see what the causal factors were, what can we learn from that, and if there are issues that we need to take steps on here in Ontario.

**Mr. Shafiq Qaadri:** Thank you.

**Mr. Yasir Naqvi:** Gentlemen, thank you very much for being here this afternoon and illuminating us about everything bridges. I've definitely learned a fair bit.

I represent the riding of Ottawa Centre, and we were talking about it earlier. Almost three years ago in my riding we had this new technique which was used to actually fix two bridges, or replace them, essentially. That was sort of the hydraulic mechanism and moving—can you talk about the benefits or disadvantages of that particular technology? Have you been using that in other parts of the province, and what has the success rate been? And if not, why are we not using that? Because it seems to be the least disruptive.

**Mr. Bruce McCuaig:** Very briefly—I'll ask Mr. Mantha to provide some detail—we're very proud of that

tool and technique. We've used it twice in the Ottawa area with great success. We are planning to apply that same technique here in the Toronto region this coming summer. You'll probably recall, in the Ottawa area we had upwards of 1,000 people staying overnight to watch the bridge being—

**Mr. Yasir Naqvi:** I was there. It was like watching paint dry. It was exciting.

*Interjection.*

**Mr. Yasir Naqvi:** Yes, but it was exciting

**Mr. Howard Hampton:** Only in Ottawa.

**Mr. Yasir Naqvi:** We're a bureaucratic town. What can I say?

**Mr. Bruce McCuaig:** It applies in certain cases. It doesn't work for all bridges. It has a certain application, but any time we can prefabricate a bridge off-site we have better quality control, in that controlled situation. We can obviously have a much more limited impact on traffic if we're just closing the highway for a single night as opposed to constricting lanes for a period of one or two years. That also reduces greenhouse gas emissions and improves safety. So there are lots of reasons why we want to use those kinds of techniques. It was the first time in Canada that technique had been used and we're doing it a third time very soon.

**Mr. Ray Mantha:** I don't know if there's much left to say other than the source of the information—we found that some of the US jurisdictions were doing it on some of their busier freeways. We are the lifeline of the economy of the province, so we recognized an opportunity, with the Ottawa Queensway/417, to replicate the technology that we discovered down in the US.

As the deputy pointed out, normally a bridge rehabilitation along a major thoroughfare where the heavy volume is actually on the bridge—it's not a bridge over the heavy thoroughfare; the bridge is the heavy thoroughfare. The disruption to the traffic is enormous. The costs associated both to the economy and the project are enormous.

What we found here was in fact that by closing the highway for 17 hours on a Saturday night and Sunday, we had very little disruption to traffic. There was plenty of advance notification to the users of the road that they would be disrupted for 17 hours and either they modified their trip plan or they didn't make the trip at all. So we didn't disrupt the flow and the economy of the province for a two-year period, and we saved money. We're very much looking for similar applications around the province.

As the deputy alluded to, on Highway 403 in the Hamilton area we'll be doing the very same procedure. It doesn't mean that that's a one-size-fits-all solution, but certainly there is applicability and much broader use. It's all about being faster, safer, cheaper and better. The less disruption, the quicker we can get it in and stay out. That's really what our focus and intent is in going forward.

**Mr. Yasir Naqvi:** And as I recall the details from the project in Ottawa at the Island Park and the other bridge in my riding, the agreements were time-sensitive.

**Mr. Ray Mantha:** Absolutely.

**Mr. Yasir Naqvi:** So there were very strict obligations on the contractor to perform the task within a set time, otherwise there were penalties involved. So there is a mechanism to not only save time but money for the province, as well, using those techniques.

**Mr. Ray Mantha:** Absolutely. We have significant penalty bonus clauses in our contracts like that. Before we even undertake the project, we do a significant risk analysis. What can go wrong here, and if it goes wrong, what are we going to do about it? You can bet, when you're closing the Queensway, that we turned our minds to undertaking a significant risk matrix to understand all of the potential problems that could occur and develop a plan for mitigation as we went forward.

So, through careful planning, building a contract where the contractor and ourselves knew our roles and responsibilities and obligations, and putting a significant penalty bonus clause into the contract, we saw success.

**Mr. Yasir Naqvi:** I don't know if you would have the knowledge among yourselves or your staff who are here about the history around Island Park Bridge. What steps were taken for you to get to the decision to replace that bridge through the techniques you used? How long was that process? What was the condition of the bridge for you to say, "The only remedy there is"—

**Mr. Ray Mantha:** To replace the bridge?

**Mr. Yasir Naqvi:** Yes.

**Mr. Ray Mantha:** You probably know that the Queensway was built in the late 1950s, early 1960s. It used to be Carling Avenue. I'm showing my age. The bridges were of that age. They were approaching 50 years of age.

We also had capacity issues along the Queensway. We were looking to increase and enhance the capacity opportunity along the Queensway, so it wasn't simply a matter of replacing in kind, but in fact adding capacity.

We took a look at the technologies that were available to us, the conventional technology of building a bridge half at a time. We took a look at what it would take to do this, to apply this technique. Whether it's Island Park or Clyde Avenue, which is the other one where we used it, essentially there had to be a piece of property in close proximity where we could build the bridge. We built the bridge on a stand and then we used the transporters, much the same technique that they use to move the space shuttle around. We had to be able to go in, take the existing bridge out, literally move it and set it on stands over on a piece of nearby land, which the NCC made available to us, and then take the bridge that we had constructed under ideal conditions—not during traffic; under ideal conditions, so that the quality of the product is enhanced as well—and move it and set it into place.

All of the necessary ingredients to carry out the recipe were perfect. It took a couple of years of planning, but we did it in 17 hours, saved some money, and had little inconvenience to the motorists along 417.

**Mr. Yasir Naqvi:** And gave plenty of amusement to a thousand people who came out. I remember you set up stands and everything. There were webcams and whatnot.

**Mr. Ray Mantha:** We set up stands.

**Mr. Yasir Naqvi:** Hardly anybody showed up for Clyde Avenue, because we were done; we moved on to some other sport.

**Mr. Ray Mantha:** Yes. We set up stands. You'll remember, Rogers Cable TV covered it live.

**Mr. Yasir Naqvi:** It was an exciting night; I remember.

I want to move on to another issue, which is highlighted on page 91 of the auditor's report, and that's dealing with "Bridge Condition Survey." In the report the auditor talks about how the ministry has conducted condition surveys on only about 5% of the province's bridges in the last four years. I was just wondering if you could sort of share with us the context of that comment so that we can better understand what the auditor is referring to. First of all, what is a bridge condition survey and what does that involve? How does that relate to your biannual bridge inspections and the ministry's plans to keep the bridges safe?

**Mr. Bruce McCuaig:** The purpose of a bridge condition survey is to help us design the project to do a major rehabilitation or reconstruction of the bridge. If, through our inspection process and through our other asset management processes, we have decided that we're going to do a reconstruction of a bridge, we would then use a bridge condition survey to go in and help us understand what components of the existing bridge are still available for reuse—for example, the abutments, or some of the piers—what needs to be replaced and try to scope out how large the project is. That helps us estimate the cost of the project. That helps us to design the project so that bidders have as much information as possible.

The whole purpose of a bridge condition survey is to help us to define the project for a reconstruction or a rehabilitation.

We do other inspections that are called for when, for example, we have a bridge over water and there may be piers in the water and we need to do an underwater survey of the piers, or it may be an exposed steel structure and we need to do a fatigue inspection of the steel elements.

There is a variety of other kinds of inspections that the ministry does, both invasive, in terms of actually drilling into the members and pulling out and inspecting the core sample, and non-invasive, using electronic equipment to try to understand what's happening with the bridge.

There is a variety of different kinds of inspections, but that's what we use a bridge condition survey for.

**Mr. Yasir Naqvi:** Thank you.

**The Vice-Chair (Mr. Peter Shurman):** Thank you, gentlemen, very much for your appearance here today. That concludes the public session.

We'd like to not only thank you but excuse everyone, because we will continue as a committee for about 10 minutes in closed session.

**Mr. Bruce McCuaig:** Thank you very much for your time.

*The committee continued in closed session at 1443.*



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Wednesday 31 March 2010

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Auditor General:  
Ministry of Education

## Assemblée législative de l'Ontario

Deuxième session, 39<sup>e</sup> législature



## Journal des débats (Hansard)

Mercredi 31 mars 2010

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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTS

Wednesday 31 March 2010

COMITÉ PERMANENT DES  
COMPTE PUBLICS

Mercredi 31 mars 2010

*The committee met at 1228 in committee room 1, following a closed session.*

2009 ANNUAL REPORT, AUDITOR  
GENERAL  
MINISTRY OF EDUCATION

Consideration of section 3.04, Education Quality and Accountability Office.

**The Chair (Mr. Norman W. Sterling):** We'll call the meeting to order. Today the public accounts committee is considering section 3.04 of the auditor's report dealing with the Education Quality and Accountability Office, which reports to the Ministry of Education.

I believe we have the deputy minister, Mr. Kevin Costante; Ms. Mary Jean Gallagher, assistant deputy minister, student achievement division; Kevin Dove, the manager of the issues management, communications branch; as well as three other individuals before us.

Perhaps I will turn it over to the deputy minister at this time, and you can make the appropriate introductions of the other people sitting with you. I believe you have some opening remarks, and then the committee will put forward questions.

**Mr. Kevin Costante:** Thank you, Mr. Chair. It's a pleasure to be here. I'm the Deputy Minister of Education, and I'm pleased to be here with my colleagues from the EQAO. I'll be sharing the time on the introductory comments with Brian Desbiens, the chair of EQAO; and with the CEO, Marguerite Jackson. Marguerite will introduce the other individuals at the table with us. I think you'll hear from them in greater detail about the particulars of this audit and about EQAO, generally.

I want to begin by thanking the Auditor General for his valuable recommendations on how to improve and enhance the EQAO processes. We are pleased with the results of the audit and that they attest to the success of the EQAO assessment programs. I know that EQAO has taken the auditor's recommendations very seriously to make the program even more effective than it is now.

As the committee knows, EQAO is an independent agency of the government of Ontario. It was created as an arm's-length agency in order to conduct assessment and gather objective information from our schools. EQAO works closely with our ministry's student achievement division, and Mary Jean Gallagher, who's with me, is the

assistant deputy minister of that division. They also work closely with schools and school boards to help work with us on improving student achievement.

As you know, education remains a priority of the government and the ministry, and we are continuing to focus on our three core priorities: increasing student achievement, closing the gaps in student achievement, and increasing confidence in public education.

We believe we've been making significant gains. As was recently announced, more students are graduating from high school each year. In the past five years, the graduation rate has risen from 68% to 79%. Since 2003, 52,500 more Ontario high school students have graduated. Much of this success is due to many strategies, including some programs that have been introduced into our high schools like high-skills majors and dual credits with colleges.

EQAO provincial assessments provide us with a snapshot of student achievement at a particular point in time to ensure our approach has remained focused and relevant. They allow us to track the progress of our students at three key points of their school careers: grades 3, 6 and 9. This allows us to pinpoint any roadblocks to success or declines in achievement. These checkpoints also allow us to make necessary adjustments to our approach to student success and perspectives on student achievement.

Literacy and numeracy skills have steadily improved. We know this thanks to the province-wide testing that's done. The EQAO results show that in 2003-04, 54% of students were achieving at or above the provincial standard. It's worth noting that the provincial standard is a level 3, which corresponds to roughly an average of B. In 2008-09, 67% of grade 3 and grade 6 students were achieving at that standard. That's a gain of 13 percentage points since the earlier date.

The EQAO tests measure students' performance in reading, writing and mathematics in relation to the common provincial standard. The assessments are developed and scored in a way that ensures that the results can be compared from one year to the next.

We stand behind EQAO, but acknowledge to our stakeholders that standardized tests provide only one of several measures of student achievement and should not be used to rank school performance. EQAO assessments provide valuable information for educators. The results both inform and support decisions made at provincial, board and school levels regarding required resources,

capacity-building needs and specific instructional strategies.

Principals and teachers indicate that results help them plan strategies to enhance classroom learning and provide feedback on how well they conform to the curriculum. For parents and the ministries, teachers' appraisals of student work will always be an integral part of our education system; however, parents also want to know how their children are doing based on objective measures of achievement in relation to the Ontario curriculum. It is therefore important to analyze the results of provincial assessments along with those evaluations that teachers administer on a regular basis to help understand and support student achievement in Ontario.

Province-wide assessments continue to contribute to greater quality and accountability in the publicly funded school system. EQAO releases an annual report of provincial results and makes that accessible to the public on their website. In December, the Auditor General found that the province-wide tests reflect the provincial curriculum expectations fairly and accurately. They also found them to be consistent in difficulty from one year to the next and that they are administered and marked in a way to ensure that the results are valid, consistent and reliable indicators of student achievement.

Our primary goal is providing students with a strong, well-rounded education that prepares them for the future, and the EQAO data is foundational in our efforts. These test scores are key indicators of the health of our system. They show us when we're on the right track. They help us identify what's working and what is not, and they provide us with useful data for school boards and schools to take action. EQAO data are also helping us make real improvements in student outcomes.

I'd now like to turn the floor over to Brian Desbiens, the chair of EQAO.

**Mr. Brian Desbiens:** Thank you very much, Deputy. Mr. Chair and members of the committee, thank you very much for the opportunity to come and speak with you.

I'm pleased to be here as the chair of the board of directors of the Education Quality and Accountability Office. I've served on the board for five years, and I'm in my third year as chair. I'll be sharing my time with our chief executive officer of EQAO, Marguerite Jackson.

EQAO, as has been indicated, was established based on the recommendations of the Ontario Royal Commission on Learning in 1995. The commission consulted extensively with educators, parents, students and taxpayers and concluded that the province-wide assessment would help respond to public demands for greater equality and accountability for the publicly funded school system.

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EQAO is an independent operational service agency that provides a measure of the quality and accountability of Ontario's education system. EQAO delivers assessment programs that provide objective and reliable information about student achievement of the curriculum expectations. The information is used by educators and

parents to improve learning. Our focus is on improving learning for all students. EQAO publishes school and school board reports to parents, educators, policy-makers and members of the public, who can use them to monitor the effectiveness of the educational system over time.

The agency is governed by a board of directors appointed by the Lieutenant Governor in Council. EQAO has been in place for some 14 years now under three different governing parties and has always maintained its arm's-length status, which is essential for its credibility as an independent measure of performance.

The board of directors is accountable to the people of Ontario for maintaining this arm's-length relationship, for setting strategic policy directions, for achieving its mandate, for setting operational priorities, for achieving excellence in the delivery of Ontario's large-scale assessment program and for communicating with the public and the educational community regarding student achievement.

To guide its work, we've established strategic priorities. In your supplementary handout document, there is detail behind each of these priority areas. I will not be going into the detail. Perhaps you may wish to question at a later date. I do wish, though, to hit on those five priorities.

The first is that we wish to be the best of class assessment, not just in Ontario or Canada, but clearly in the world. We're committed to providing credible evidence of student learning based on the Ontario curriculum, and that's a particularly unique focus in large-scale assessment—the fact that it's based upon our curriculum.

Second, we want to support student progress. We have a commitment to be the integrator of a broad range of evidence that identifies areas where interventions can be made to ensure that all students have the opportunity to reach their highest possible level of achievement. We see our assessment as only part of a fuller assessment and evaluation model that can assist. As the deputy has said, we believe that the most significant assessment is the teachers, but it needs to be complemented, and we provide the normative and comparative data that can assist them to know and guide them in their learning adaptation.

The third priority is to build capacity. We are committed to building capacity for the use of data through services to educators, parents, government and the public, and we're proud to say today that there's this culture of evidence that truly is out there in our school system that is leading to debate and discourse that simply wasn't there because it didn't have the foundation on which to have that discourse a decade and a half ago.

Fourth, we value research data. We're committed to demonstrating that all our practices at the agency are grounded in research-based knowledge. You'll see in the detail that our research is not only just about how to have the appropriate assessment tools, but it's also focused on how to foster learning, because the real result of a proper, large-scale assessment is in fact the improvement of learning in our province. We are interested in identifying

these gaps, working with the ministry and the educational community and adapting our teaching methodologies in order to foster greater learning.

The fifth priority is effective business practices. We try to strategically align our business practices to enhance the agency's ability to focus on and deliver key priorities and commitments, and you can see the detail of that in our report.

The board's connection to EQAO is through the chief executive officer, Marguerite Jackson.

Today, we are before you to present an update to the responses to the recommendations from the Auditor General's 2009 value-for-money audit report. We want to begin by thanking the Auditor General for the professional quality of his in-depth, seven-month audit of our organization; for his observations, affirmations and recommendations that he has provided to us. The review is yet another strong endorsement of the quality and value of EQAO's provincial testing program. I am proud to be associated with the agency whose work has a direct impact on the work of our schools, our boards and the support of students across Ontario.

If I might just be allowed an analogy, it seems to me that the government has placed great trust in the Auditor General to do assessments of different programs and services—this year EQAO—and to provide feedback to those organizations in order to improve. Quite frankly, that's a parallel to the role of EQAO. We provide assessment and we provide data back so that the schools, teachers and students can improve on their performance. I think there's a direct parallel in your trust in the Auditor General, who has challenged us to be the best that we can be.

We value significantly the process of assessment, the process of receiving this information, and have taken seriously those suggestions that have come before us because we believe it is going to help us improve our performance and, in turn, help us assist teachers, educators, parents and students in the province of Ontario.

At this time I'm pleased to introduce our CEO, Marguerite Jackson, to go into the detail of our response to the Auditor General's report.

**Ms. Marguerite Jackson:** Thank you, Brian, and good afternoon, Chair and members of the committee. Thank you for the opportunity to speak with you about EQAO and about how we are responding to the auditor's report about our agency.

To begin, I want to thank the auditor for the team that was assigned to our work. The aspects of designing and delivering a large-scale assessment program are complex and, in some cases, intricate. We very much appreciated the thorough and the professional approach that the audit team took in exploring every aspect of how we do our work. I must say, though, that after seven months we were wondering if they were ever going to finish.

We appreciate that in the report we did receive recognition for some of the things that we do well and we value the recommendations that have been given to us.

I'm joined today by three of my colleagues who really were the people who helped the audit team to understand our work and will assist me if you have questions that need some detailed answers: Robin Dafoe, who is sitting behind us, Richard Jones to my far right, and Michael Kozlow to the right of the chair. We're very proud to represent this agency and we're very proud of the work we do on behalf of the public, young people and educators.

This agency has existed for just a little over a decade. At its midpoint, about five years ago, we undertook a major initiative to modernize all of its processes and assessments. What the auditor saw is a result of that transformation. Then, as now, we benefited from the eyes of external advisers. We were determined to be best of class then and we will apply that same determination to the auditor's recommendations.

We're committed to delivering assessments that test the curriculum that teachers are helping young people to acquire. Therefore, we were very pleased that the auditor confirmed that our assessments fairly do that job. We're also committed to providing assessments that are comparable in difficulty from one year to the next and are administered and marked in such a way that the results are reliable and valid indicators of student achievement in this province. This allows us to track improvement over time. We again were pleased that the auditor recognized that we're methodical in our processes that we assign to making that happen, and further, that the stakeholders with whom the auditor spoke indicated that they agree that the test development processes we have in place do that job.

We appreciate that the auditor recognized our solid financial practices and also acknowledged that the agency has reduced its annual expenditures by over 20% in the last five years while delivering substantially the same services.

We see this report as a strong validation of EQAO's provincial assessment program and our business practices. We see it as a validation that our practices provide an accurate measure of curriculum expectations, comparable year-to-year results, a reliable indication of student achievement, and valuable information for the government, parents, educators and the public.

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We also welcome the Auditor General's recommendations and have closely considered how we might address each recommendation to strengthen Ontario's assessment program even further.

You have before you a status report that describes EQAO's completed and planned undertakings with regard to the auditor's recommendations. I trust that this report provides confirmation that we have given thoughtful attention to the auditor's recommendations.

We've taken steps to address all the recommendations, and in some cases we've already implemented the actions from the recommendations. For example, as suggested in the report, we've already added additional steps to the selection of schools to be visited by external monitors to

ensure that all school boards and types of schools are periodically visited.

Secondly, we've already updated all of our administration guides to clearly highlight any significant changes in procedures from the past year and to clarify the potential implication of breaches to those guidelines.

Thirdly, we've introduced survey questions to the current grade 9 math test to determine the extent to which teachers use the EQAO tests as a part of their final term mark to students, with the notion that we might be able to determine whether doing so influences how students do on the EQAO test, particularly for those students in grade 9 applied math.

We value the Auditor General's report, we're pleased with the commendations, and we've learned from the recommendations.

We're pleased that the auditor found general consensus among the stakeholders, including principals and teachers, that the tests are an accurate reflection of students' achievement of the curriculum expectations.

The results on our tests provide evidence of how Ontario's students are achieving the foundational skills of literacy and numeracy, skills that are essential to thriving in any other aspect of the curriculum.

I've provided you with a package of supplementary material, with a cover page that looks like this. Some of the slides in that package give you samples of the evidence we're able to present to the government, to the public, to parents and to educators about student achievement.

The evidence we have about Ontario's students gives us cause to celebrate. Yet when you look at it, it also compels you to ask questions, to challenge practices and to monitor even more closely individual students so that every young person may leave the school door at the end of the day with the exhilaration of confidence of having known that they are learning and growing and able to do what their friends are able to do.

EQAO is committed to contributing to a culture of conversation, decision-making and action based on evidence of achievement.

In conclusion, I'd like to emphasize three themes which I believe came through in the Auditor General's report regarding the work of this agency: first of all, that our assessments are good indicators of student achievement in the areas where we assess; secondly, that the participation of teachers in every aspect of our test development process adds to the credibility of the work that we do; and thirdly, that the program we have put in place with these assessments, which focuses on measuring every student, has been a catalyst for improvement for thousands of students across this province. Indeed, if you look just at a period of five years, there are 20,000 more 12-year-olds who left grade 6 last year with solid literacy skills than five years ago.

Thank you, Mr. Chairman and members of committee, for this opportunity to speak to you about the agency and about the audit.

**The Chair (Mr. Norman W. Sterling):** Thank you very much. Before we go to questions, I would just like to invite the chair—perhaps if he would indicate to the committee whether he agrees with all of the recommendations made by the Auditor General and, if not, which ones he would differ with.

**Mr. Brian Desbiens:** You have a report before you. We've received and we've reviewed all of these. They seem to be reasonable recommendations that we have taken under consideration. There are a couple of items in there that we've presented our reactions to. I suspect we will get into those a little bit later. But in general, almost every single one of those, I think, are of value to us. There are a couple in the policy area where we might have some differences of opinion.

**The Chair (Mr. Norman W. Sterling):** Perhaps you can outline those during the question period—where those differences might lie.

Ms. Sandals?

**Mrs. Liz Sandals:** Let me dig into one where you might at least be able to expand, because there was the issue that was raised by some of the schools and this whole issue of, are special-education students and special-needs students exempted? Then, if they are exempted, how do you do that accounting when you're reporting back on the schools' results? That's an area where I sense that you might have some comments. So let's talk first of all about who would actually be exempted, because I understand that the schools are given some direction as to who should be and who shouldn't be exempted.

**Ms. Marguerite Jackson:** A great deal of our processes rely on professional respect and mutual trust. The determination about whether a child can step up to a test or not at a particular point in time is really best made by the people who are closest to that child.

For exemption purposes, generally speaking, it's understood that it might be a child who has a special-education designation. It could be a child who just recently arrived in the school and hasn't had the opportunity to get into the flow. That being said, for the most part, special-education students should be participating in these assessments, because we offer programs of support for them. Indeed, we allow all of the modifications they would have in the course of the day to be provided for them when they're taking the assessment. Basically, this operates on a basic principle: We believe that public schools should be accountable for every child. We don't believe you should be able to set a child aside because you don't want to talk about what you're doing for them. There are very unique circumstances where children have specific and limiting disabilities that we recognize, from the dialogue we've had with the auditor, that we need to do more dialogue with the education community and find a way of reporting so that they see that as fair.

In summary, as a general principle, I would say that we see that we're accountable for all children, and we should be reporting on how all children are doing. The reality may be that they may not achieve the standard, but

they may achieve level 2 or 1, and you know that. So you've got some information to work with. The other reality is that we've tracked children from grade 3 to grade 6 to grade 9 in OSSLT. Children who are removed from the process don't catch up. So this is my point: We have to pay attention to individual children, and we have to have evidence with which to do it.

**Mrs. Liz Sandals:** Just from conversations I've had over the years, my sense would be that MACSE, the Minister's Advisory Council on Special Education, and particularly the Learning Disabilities Association of Ontario have been quite strong in advocating that special-needs students be included in the process, because of the fact that the parents want to know how their students are doing relative to the curriculum. I'm assuming that it would be pretty standard, however, that if you have a very high-needs child who's in a self-contained class who isn't participating in the regular curriculum, those children would be exempted.

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**Ms. Marguerite Jackson:** That would be understandable. The general guideline that I would use in conversations with the principal would be, "If the child is following the Ontario curriculum, then you should be very thoughtful about why you would exempt the child from the assessment," because these assessments are based on the Ontario curriculum.

**Mrs. Liz Sandals:** Okay. I think what I'm hearing from you is that you're satisfied with the policy which encourages people to include as many students as possible in the process and that the exemption process, if you were to pull those out of the school results, might be inclined to encourage people not to include all students in the process.

**Ms. Marguerite Jackson:** We also believe very much that accountability begins at the source, and we want the principal to talk about the school's results. I think it's quite acceptable that a principal would speak about it. For example, when I was principal of a school, I had some classes that were children who were not participating in the Ontario curriculum. It always was quite delightful to me when I talked to the parents that they were surprised we had those children in the school. But the principal and the teacher know the children, and that's where that personal conversation should be. In no case should a child be exempted without the parent being party to the discussion.

**Mrs. Liz Sandals:** Another one of the issues that the auditor raised, and which you mentioned in your opening remarks, is this whole issue around grade 9 applied math, where there's some evidence that students don't necessarily take the EQAO test totally seriously. There's a possibility of including it in the final marks, and students tend to take things that count more seriously than things that don't count. So what I think I heard you saying was that you're actually going to do a little bit more of a detailed analysis so you can get some valid analysis of what's going on there. Could you tell us a little bit more about the details of that?

**Ms. Marguerite Jackson:** Yes. Ministry policy allows for an end-of-term mark to include other things than the tests that the teacher gives. We know, from the time the grade 9 test has been administered, that some teachers have used parts of the EQAO test as contributing to that final term mark. The policy, as it's written, is either a decision of the school or, in some cases, school boards have made a decision. We know of school boards where they've said, "You will use a part of the EQAO assessment as part of the final mark." But that decision is a local decision; it's not our decision. However, as a result of the dialogue we've had with the auditor and the concern there is about how young people in the applied math program are doing, we have introduced this question on our survey to determine if, when the teacher does include it as part of the term mark, it makes any difference and contributes to how the child does on the EQAO test as well.

**Mrs. Liz Sandals:** Will you have any way of getting information about student grades or average student grades from the teacher in the questions you're asking so that you can actually do a formal sort of correlation between inclusion and—

**Ms. Marguerite Jackson:** We didn't ask about the teacher's grade; we simply asked the question, "Are you using any part of this assessment as part of your term grade?" We do have, through our relationship and collaboration with the ministry, access to report card grades, but not right at the point when we're doing our initial analysis. It's a bit delayed in terms of doing that.

**Mrs. Liz Sandals:** Okay. It's a really interesting question.

One of the things that comes up sometimes—and I don't think this was so much an issue that the auditor raised; he maybe just noted it—is the whole issue around mandatory every-child testing versus random testing. Could you give us some of the rationale for the every-child testing and why that policy is in place?

**Ms. Marguerite Jackson:** Well, the rationale gets its genesis in the royal commission. It was very clearly a call from that commission. It seemed to them—in fact, I think I included the quote at the back of this—that it was reasonable to have a check on student learning at a few critical transition points and that parents should know how their child is doing relative to a provincial standard. So that's the genesis of it.

Secondly, as we have worked with this data and as I've said in my summary comments, if you look only at the aggregate, you'd have lots of things to celebrate. It's when you disaggregate and start to ask, "Who are the 30% of children who are not achieving?" that you really make a difference. If you don't have every student's data, you can't do that.

The third thing is, across this province, if you sample, you have a very expensive program if you want to be able to give information back to every school. Generally speaking, if you sample, you do not give information back to schools. In fact, with our national and international assessments, we're not even in a position to give

information back to school boards; all we can do is talk about where Ontario stands relatively. But generally speaking, even though we ask the schools to participate, they're not in a position to do anything with it other than to say, "Well, we helped to demonstrate that Ontario is doing very well."

So from our perspective, the benefit of this program is all about learning: about children learning, about children mastering, about children being able to go on to the next stages. Having the kind of information that we're able to present to schools gives them a point of conversation to change their practice, to focus in, to intervene and to make a difference for young people.

**Mrs. Liz Sandals:** Following up on that, then, and talking about the value of disaggregation, can you describe to us the information that's going back to the local school level? Because what we see, especially if all you do is look at the median and don't actually look at the EQAO website, is scores for schools and people making futile attempts to rank schools and doing all sorts of bad things with the data. What sorts of things do the actual schools get back that help them to influence either individual children or curricula?

**Ms. Marguerite Jackson:** The individual schools get a very detailed report that provides the aggregate information over time for their children. In relation to your question about including exempted children, they also get a report for the children who participated, so they know how they did on aggregate. They get sub-reports on gender—how boys and girls did; they get sub-reports on how children who are in ESL did; they get sub-reports on how children in special education did; they get survey results back that were completed by their students; and they get what we call an item information report, which shows every curriculum aspect that we were looking at and not only how the individual child did, but as a general how the class did on that curriculum expectation.

**Mrs. Liz Sandals:** So the principal and the teacher could get down to the point where you're saying, "This class did well in these three strands of the math curriculum, but they're rather weak in these other strands"? You can actually get down to that level with the individual child?

**Ms. Marguerite Jackson:** That's right.

**Mrs. Liz Sandals:** So even if the child's gone on to the next grade, the teacher would still be able to look back and see that for this child, this is where they're okay in math; this is the area where their concepts are weak. I mean, that's going to carry on as you move from grade to grade.

**Ms. Marguerite Jackson:** And generally beyond that, it's our intention that this would be a school team talking about, "How is our school doing?" so that the primary division would look at how the children did at the end of grade 3 and say, "So in this area of the curriculum, if our children are not doing well, what should we be doing in grade 2 and grade 1?" It's about the progression through school and, likewise, in the junior division.

Brian is just nodding to me to speak about a product that we provide as well.

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**Mr. Brian Desbiens:** There is a series of reports that we also provide to teachers and to the schools. This one I have is on the primary junior; there's one on the literacy and there's one on mathematics. They present the data, as Marguerite has just talked about. I was just teaching a grad class, and I used this as a teaching tool to a curriculum class.

The other thing that we've done, because we have an extensive outreach where we go and consult with teachers—included in these documents are also the observations about learning and then pointing to learning strategies, very specific learning strategies. These are significant tools that are available to teachers. If the method they're using now isn't quite working on that particular curriculum item, they are able to receive assistance from this.

This is the role that we have in terms of working with the profession, not just to use the data. The data triggers a discussion, which then triggers another discussion about where we can go then to adjust our teaching and teaching methodologies. We gather that from visiting the schools, dialoguing with them and pointing out the areas that need improvement.

**Mrs. Liz Sandals:** Thank you very much.

**The Vice-Chair (Mr. Peter Shurman):** Thank you. To the NDP. Mr. Marchese?

**Mr. Rosario Marchese:** Yes. I was thinking.

**The Vice-Chair (Mr. Peter Shurman):** That's okay. I do it sometimes too.

**Mr. Rosario Marchese:** Liz Sandals knew the question I was going to ask. You helped a little bit. My question had to do with how teachers use the results. I've heard the minister use the word "diagnostic." I've heard other people use the word "diagnostic," and I don't see it.

Then you described, Marguerite, how data is used, so they get information in the aggregate: students, special education needs and whatever information you provide about that—I don't know how that helps diagnostically—discussions about gender reports, how girls and boys do, presumably, in a general way, in the aggregate, who participated and who did not, FSL.

Then Liz tried to sort of get you to the point of saying how teachers actually use it, and I still don't see that. I don't quite get how teachers actually get the results and then use that information to help that student who did the test subsequently. So I'm not quite sure whether that information is used diagnostically. Maybe you could define what the minister means by it. How is it used to help the student who has gone through the test, and how do you then use it diagnostically with the students who are about to take the test?

**Ms. Marguerite Jackson:** I'll start and then, Rick, I'll ask you to help me out.

It's used diagnostically in at least two ways. One, in terms of the school learning community, what the teachers tell us—and we ask the teachers who administer the

tests; these are the grade 3 teachers, and we had 8,600 of them respond last year. We asked them if they used this to identify areas of strength and areas for improvement in the grade 3 reading, writing and math program. Seventy-nine per cent of them told us they used it that way. They told us that they use it to inform how they do their program planning; 66% told us they do that.

The principals tell us that they use it to engage their teachers in discussion. So if you're a principal of a school and you have almost all of your children leaving grade 3 or grade 6 confident in how to read, write and do the numeracy that we wish them to do, you'll have a different discussion with your teachers than you will if you're from a school that is in this supplementary package that I've shown you, where year over year you have less than half of your children finishing the grade able to do the work. If that's the situation I have as a principal, I want to say, "What is it that our children are not able to step up to?" We provide them with a breakdown directly linked to the curriculum, which I'll ask Rick to speak about in a moment, that says, "This was a curriculum expectation. This is how many children, and these are the children, who were able to do it or not able to do it."

In terms of the individual child, which you asked about in terms of diagnostic, what we know from tracking children from grades 3 to 6 is what the teachers are telling us is indeed happening, because we are now able to tell you, if a child didn't achieve the standard in grade 3, how many of them did when they got to grade 6. I think this is tremendously rewarding, for teachers and principals of schools to say, "We looked at the results when we got them in grade 3. Our children weren't at the standard. We've done this, this and this, and look: They've left us at the end of grade 6!"

**Mr. Rosario Marchese:** So we're trying to track that child—Johnny, let us say—in grade 3, and individually, we know we all are different. It's not an "in the aggregate" kind of discussion; it's how Johnny's doing. So the teacher the next year in September should be looking at something that says, "Here are the problems. Here is the learning problem," because it's not so generic as particular. Does that teacher in September have the tools to know what to do?

**Ms. Marguerite Jackson:** They get it from us. I'll ask Dr. Jones to speak about what they get from us.

**Dr. Richard Jones:** Thanks very much, Marguerite.

Marguerite talked earlier about the link of Ontario's provincial assessments to the curriculum. I do have copies of the curricula here, and we can circulate them if you'd like to have a look at them. I've highlighted the areas that indicate for the various areas in reading, writing and mathematics where the overall expectations for learning are presented, as well as the specific expectations. We do develop our assessments with regard to those specific expectations. We can talk more about that later if you wish. I can certainly circulate this if people would like to look at the document.

**Mr. Rosario Marchese:** It will be difficult to have the time.

**Dr. Richard Jones:** Just in case.

So, directly linked to the curriculum, Marguerite also mentioned that the vast majority of teachers do indicate to us through the questionnaires, through our surveys, that they use EQAO data to look at areas of strength and where there are areas of concern—

**Mr. Rosario Marchese:** Sorry, sorry. The individual teacher gets the data, and the data that she or he gets is what Marguerite was talking about in terms of "in the aggregate" information; every teacher gets that, not a number, but—

**Dr. Richard Jones:** In many forms and at various levels. We do have, for example—

**Mr. Rosario Marchese:** Do you have a copy of what you give individual teachers?

**Ms. Marguerite Jackson:** Does anyone have an IIR with them? Do you have an IIR with you?

An IIR is an item information report for a class. So for every child, it tells how the child did on every item in the assessment.

**Mr. Rosario Marchese:** So it basically says number 3 or 4 or 2. Is that—

**Ms. Marguerite Jackson:** Well, we give them the test—the test is released so they can see the question that we were asking—we tell them what the curriculum expectation was, and we say, "On this question, which was testing this curriculum expectation, Rosario did this well, Michael did this well, Marguerite did this well," and we tell them how the class as a whole generally did. We send that to the school by early September so that it's there—

**The Vice-Chair (Mr. Peter Shurman):** Excuse me. Could I just ask that you send a copy to the clerk of the committee so it can be distributed to everybody?

**Mr. Rosario Marchese:** Absolutely. So you send it to the principal, who distributes it to each individual teacher. Is that the way it works?

**Ms. Marguerite Jackson:** Our linkage to schools is through the principal.

**Mr. Rosario Marchese:** Through the principal. And we assume that the principal, then, gives all that information to every teacher. Perhaps they have meetings to talk about this. Is that—

**Ms. Marguerite Jackson:** We have good information that they do, because we do regional workshops where we bring principals and teachers as teams—we just finished one yesterday—where we bring a principal and the teachers to the discussion and we work with their data—

**Mr. Rosario Marchese:** And do they get—sorry for interrupting you, but I'm very specific about what I'm looking for. Do they get strategies from you in terms of, "Here are the weaknesses"—because in the subjective portion of your test, I don't know what strategies you provide to teachers. All I get is a number. How do I help Johnny—because I'm still focusing on him—to be able to improve that skill? What strategies do you recommend to improve that skill?

**Ms. Marguerite Jackson:** We provide them with a summary of results and suggested strategies that will help children step up to competency. Our role is not to do that type of work in schools; Mary Jean has a team of people who help teachers. But because we know the assessment and we know what the question is checking, we know what should have happened in terms of the child being able to do the question. So we do provide that. Then Mary Jean's team picks it up and does in-depth work, as do other people in school boards.

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**Mr. Rosario Marchese:** Okay. Before you both get to it, Professor David Johnson argues, in his study An Update to Signposts of Success, that 40% to 50% of the variation in schools' average test scores can be explained by schools' socio-economic environments—50% is socio-economics. Then he says that the remaining variation reflects factors at the schools themselves, which are the principals, the teachers and other staff. So, 50% is already socio-economic; the tests are not going to help us very much with that.

We know that the other half are having difficulties of sorts. You've got mental illness issues, which are getting bigger in our educational system and getting bigger in society in general. You've got kids who have fetal alcohol spectrum disorder, which most teachers can't identify because they don't understand it; most doctors don't know it. There are about 100,000 to 200,000 people suffering that; I'm not sure how many of those are students. You've got kids who are excessively poor, who bring problems from home into the classroom. Some have substance abuse, because some people drink and others take drugs, and that affects the learning of those kids.

So we've got some serious problems. How does the test, or the system, deal with these issues?

**Ms. Marguerite Jackson:** Let me just say that we recognize that all children don't have the same supports and advantages. But if public education exists for any purpose, it's to level the playing field. It would seem to me that the supports we put into our public school system are designated to offset those disadvantages and help to raise the bar as well as level the bar.

That being said, some teachers have a much more challenging job to do, and they deserve to be highly recognized and regarded for the successes. We have plenty of evidence that there are situations—because we have the evidence—where those factors exist and children are thriving. We have other evidence where the factors are the opposite of that and children are gliding but they're not striding.

That's what evidence does for you. It challenges you to say: If a child's in a school where they're coming from circumstances that are what all of us would desire, why aren't all the children leaving grade 6 with the confidence that they can read as well as we expect? This is not university level; this is basic reading and writing that they need to go on through their journey of school.

**Mr. Rosario Marchese:** Let me ask you, Marguerite: The test scores are going up every year and now graduation rates are going up every year. Yet we have professors who are saying, "The product that we get is not very good." The results are better, because these are standardized tests. They obviously evaluate writing, multiple-choice questions, all sorts of different issues. So one would expect that the overall improvement, including graduation rates, should be reflected in the quality that you get once you go to university. Yet professors are complaining that nothing has changed.

**Ms. Marguerite Jackson:** I can't answer for them, but I would say to you that there was a study out a couple of weeks ago about young people coming in with mathematics. I read it with interest, because they were saying that about 58% of the young people coming into university had the kind of mastery that they expect in mathematics, and I thought, "That's interesting," because the kids who are leaving grade 6 with mathematics are around that in terms of those who have high competency.

A kid can graduate from school without having the level of competency we're asking for, because you can graduate with a C. But a C doesn't take you into life in the way that an A or a B does. We believe, for 12-year-olds in particular, that nothing less than an A is acceptable in terms of being able to read, write and do the numeracy we want. As they get into adolescence and high school and start to diversify, it's a different discussion.

**Mr. Brian Desbiens:** If I might respond: As a former college president who received those students, I think we have had historically a challenge that students have been moved through the system without having the competencies to be able to perform. I still think we have a challenge if we're trying to get to that 70% level. But the chances of the ability to be remediated are significantly improved through the identification of the competency gaps if we identify them earlier. What's terrific about this—and there's a whole conversation—is that we're starting now with the early years to recognize that there are people coming to us with differentiated skills before they even get to school, and so we're doing the early years piece. We know, when they're going to secondary school, that there's differentiation. But we're doing it specifically. Now we know what the math competency issues are and the literacy and reading problems are. Before, we were testing students, quite frankly, who were reading at the grade 8 level coming into post-secondary institutions. We have a much better capability of being able to provide interventions in order to help student success in secondary schools because of this information being available. I think we'll see the results of this.

I'd like to come back. One of the things that's really exciting about this is that we do track the demographic piece that you're talking about. You presented a tremendous argument that supports our belief that you can't compare schools because they differ substantially. But what we have seen in here are schools that we visited through our outreach to learn from the schools. There are

schools that are making a difference where special-needs students' performance is significantly improved because of interventions that have been targeted. We know that new Canadians have improved substantially in their performance over time. We're starting to see significant improvements in other areas. So it's through having the evidence to do the interventions—I guess I'm a little more optimistic that teachers make a difference. There are those challenges there, but what we have now is the evidence that truly, if we can identify a school that's in trouble through the different interventions that take place, we can make a difference early on and they will have a better chance of being successful and graduating from secondary school and then being successful in post-secondary.

**The Chair (Mr. Norman W. Sterling):** You have about three minutes left.

**Mr. Rosario Marchese:** He wanted to answer.

**Dr. Richard Jones:** I just wanted to add one thing with regard to something that Marguerite mentioned in her opening remarks, and that was the importance of looking at achievement over time and being confident in the comparability over time. Certainly, we can say with confidence that the standards are the same from year to year. There's a whole process that's in place to initially establish the standards and we have very stringent processes that we use year to year to be sure that we can do that equating from one year to the next, so that when we talk about increases from one year to the next, we're talking about real increases. We're quite confident in our ability to make those kinds of statements.

**Mr. Rosario Marchese:** Brian, you were talking about interventions in special education. What do we get out of the test that we glean from to be able to bring about different kinds of interventions? What kinds of interventions are we introducing that are either helping special-education kids learn better or creating a different environment for them to learn better or are giving techniques or strategies to teachers to teach better? What kinds of interventions are we talking about?

**Mr. Brian Desbiens:** There are a lot more experts than me here. Perhaps we should go over here.

**Ms. Mary Jean Gallagher:** If I may, the work that the student achievement division does with schools across the province is in fact focused on exactly what those interventions are for a whole host of young children. I would point out that two years ago the data across the province showed that there was a significant improvement in writing skills at both grade 3 and grade 6. If you looked at the data and disaggregated it, the group that had the greatest spike in their achievement that year were students with special needs. When we went back and looked at it, schools, through their school improvement planning process and boards, had set writing as a focus for their activities in terms of building the capacities of teachers. A number of boards really began to focus on much more specific work with students and much more specific tasks with students around writing skills. They started to be more specific in the teaching of

different genres of writing, to be much more structured in expectations and tasks given to children in their schools around writing and understanding that you can write in different persons' voices and a focus on that kind of much more detailed, structured program.

What we learned from that as we watched boards implement those teaching strategies was, in fact, that it was good for all students but it was absolutely necessary particularly for the students with special needs. That's just one example of where the data and the analysis of the IIR telling boards where the gaps were leading them to say, "All right; this year, our school"—or board, whatever—"is going to really push the limit on what we can do about writing and how we can change it."

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Quite honestly, the next step of our process around that was going back into schools and areas where they had, in fact, achieved those gains and working with those teachers and schools to identify what they were doing that was so successful so that we could then take that information and share it. We're using those same processes in all the areas.

**Mr. Brian Desbiens:** If I might give one concrete example from my own experience: As mentioned earlier, there's a gender gap that has been identified. We identified a school in northern Ontario—I really like getting out and visiting, so we visited this school because for their special-needs students, the gender gap wasn't as great, so we wanted to learn from them. We identified it through the data and we went and visited the school.

It happened to be a laptop elementary school. What they were using was the computer and helping little boys learn how to write through the computer, which seemed to be much more amenable to boys learning how to write. They had used the technology to act as an intervention, both for the gender issue as well as the special need.

It's using data to identify who's doing right things—not just who's not doing things but who's doing right things—and then going and learning from them what kinds of interventions can make a difference.

**The Chair (Mr. Norman W. Sterling):** Thank you very much, Mr. Marchese. You'll have another opportunity. Mr. Ouellette?

**Mr. Jerry J. Ouellette:** Thank you for your presentation. Brian, you had mentioned that you were, I think, president of a college. Were you president at the time prior to and during the introduction of the EQAO?

**Mr. Brian Desbiens:** Yes, I was: when it came in.

**Mr. Jerry J. Ouellette:** I was on the board of governors for Durham College prior to this. One of the standard questions that came up on a regular basis at the meetings was entrance exams for students coming into the college sector. The main reason for that was because the level of graduating students was not consistent. You could take somebody with grade 12 or 13 from one school which would not equate in any way, shape or form with another school. Do you find more consistency with the graduating students and their abilities being more consistent as they graduate with this?

**Mr. Brian Desbiens:** First of all, I've been retired for six years, so I can't speak to today. I don't know, would be my honest, real answer from a post-secondary perspective, because I'm not interacting with the people who are doing the assessment.

I would expect that there would be. I would expect that there would be a clearer understanding. Remember: What this does also is provide a basis on which to have some conversation. For example, mathematics is one of the huge areas, especially with Durham, which wants into technologies and things. Our math teachers can have conversations with the secondary school teachers, and they have a basis on which to have that conversation, based on some of the results. Math has changed dramatically in the secondary and elementary schools.

The value of EQAO is that it gives a common basis for a common language. We do not have exit examinations in Ontario. That's not part of the model, unlike other jurisdictions, such as in the US. But we do know that we have our grade 9 math, which gives us a chance for conversations in the secondary school, and we do have the literacy.

Personally, I think that the literacy tests are very important for mathematics. You cannot do math problem-solving without being able to read with comprehension. I think there will be improvement; I just don't have the data to be able to give it to you right now.

**Mr. Jerry J. Ouellette:** Right. Brian, you also mentioned the gender gap, which was particularly discussed earlier on. When I speak to teachers, there is an expression of concern that the grade 3 testing is gender-biased in that it's extremely difficult for males to comply with the test. Are you finding that? Are you finding results that would comply with that?

**Mr. Brian Desbiens:** Actually, I might turn that over. We've just done some research in the gender bias area.

**Ms. Marguerite Jackson:** I think maybe we could ask Richard Jones to speak about how we attempt to make the test questions gender-free.

**Dr. Richard Jones:** One of the really important components of our test development process is the use of various educator committees. We bring together individuals who have content expertise and expertise with regard to sensitivity issues, cultural bias, gender bias and so forth who review all of our reading selections, for example, for that sort of issue, and all the other issues as well, and provide us with feedback on those reading selections as well as the actual test questions themselves. As part of the development process, we try to weed out those particular items before they get too far down the road and before they become an actual component of the assessment. That goes an awfully long way in that particular direction.

We also do some statistical work on our field test questions—Michael might be able to speak a little bit about that—that also has a look at bias-related issues. We can potentially see them through statistics, again, before we get test questions that find their way onto an

operational test, one that actually counts for students' scores.

**Mr. Jerry J. Ouellette:** Okay. One of the areas—I'm not sure; would they have a copy of that or not?

**Mr. Jim McCarter:** Do you have a copy of the auditor's report?

**Mr. Jerry J. Ouellette:** The auditor's report, where it shows the statistics. Figure 2: Grades 3 and 6—Percentage of Students Achieving Provincial Standard. I don't know if you've seen what I'm referring to.

**Mr. Jim McCarter:** It's on page 132.

**Mr. Jerry J. Ouellette:** Page 132. When you look at the statistics there, if you compare the grade 3 math averages with those same students moving to grade 6—for example, the 1999-2000 grade 3 students would be in grade 6 in 2002-03—the math average has moved from 57% to 53%. In the following year, it's the same situation; it moves from 61% to 57%. In the following year, from 58% to 60% and from 57% to 61%. If you look, however, at the French comparison, in the first year it's from 41% to 66%, and then they go from 40% to 70% and from 47% to 74%. There's quite a dramatic change in those gradings.

Is there some explanation or understanding that we can gain from that, or is there something that you've learned from that that you've been able to implement through the school system?

**Ms. Marguerite Jackson:** Well, to begin to speak about the English cohort, we do now track how the children do in grade 3 and grade 6 because we're able to track them child by child. This is an issue we have identified, that the cohort is not moving as high as we would want it to in grade 6 math. Understandably, the math concepts are more challenging as you get to grade 6, so—

**Mr. Jerry J. Ouellette:** But the English compared to the French is a dramatic change. When you look at the changes in the French comparison for the first year, they go from 41% to 66%. In the second year, they go from 40% to 70%. In the third year, they go from 47% to 74%, and it continues on where there is a dramatic difference between the French and the English. I just wondered if there's some explanation for that.

**Ms. Marguerite Jackson:** You may appreciate that the French curriculum is a curriculum for the francophone community. We have had lots of conversations about this. We know that one of the contributions we've made to improve learning is that teachers are paying closer attention to the curriculum, and this is the case in both the English and the French cohort.

In the French community, although it is very diverse in terms of being spread across the province, it's a smaller cohort of students and a smaller cohort of teachers. Therefore, you have more focused opportunities, perhaps, to bring all of your teachers to the same discussion, the same understandings about approaches, the same implementation of practices that will make a difference.

Certainly we know that the francophone community, as the anglophone community, has been very focused on

helping kids to do the best they possibly can, but they may have a bit of an edge in terms of getting their teachers together and getting all of their teachers on the same page at the same time.

**Mr. Jerry J. Ouellette:** Okay.

**The Chair (Mr. Norman W. Sterling):** Could I just ask for a point of clarification? You talked about the francophone—

**Mr. David Ramsay:** Curriculum.

**The Chair (Mr. Norman W. Sterling):** Curriculum. Isn't the curriculum for math in the francophone schools the same as it is in the English schools, and are the tests the same?

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**Ms. Marguerite Jackson:** The core principles would be the same. From here I'll pass it to Mr. Jones to speak about the specifics of how the curriculum expectations are written.

**Dr. Richard Jones:** I must admit, I really couldn't comment on the specific details except to say that yes, I think the underlying concepts would be the same, but perhaps there would be some differences in sequencing, for example. There may be certain parts of the curriculum that are given more emphasis at certain times than others. The end result would likely be the same at a certain point, but the sequencing would be different at different stages.

**The Chair (Mr. Norman W. Sterling):** So you don't know if the test is the same test?

**Dr. Richard Jones:** They are different tests. They're developed totally separately. We have French-language development and English-language development. We go to great lengths not to compare English to French for that reason, because there is the curriculum difference.

**The Chair (Mr. Norman W. Sterling):** So they're not the same tests?

**Dr. Richard Jones:** They're not the same tests, no. In many other jurisdictions, the French-language, the Spanish-language one or the second language one is a translation of English, but in the case of Ontario, they're developed totally separately.

**Mr. Brian Desbiens:** Two different curricula, two different tests.

**Mr. Rosario Marchese:** I didn't know we had two sets of curricula.

**The Chair (Mr. Norman W. Sterling):** The other question is, in the francophone system or the French school system, do they have individual math teachers? Or is that taught the same way as it is in the English system, where math is taught by the same teacher who teaches English?

**Ms. Marguerite Jackson:** It depends on the grade level, I think. But maybe I could ask François Lavictoire to speak about this, because he is our French-language coordinator.

**Mr. François Lavictoire:** François Lavictoire, the French-language coordinator at EQAO. French-language schools are structured the same way as the English-language schools: The grade 3 teacher teaches English

and math. In the secondary schools, then they specialize. The French secondary schools are very small, and often, to complete a schedule, a teacher will teach outside their specialty. But they try, for languages and math, to keep those people in their specialties to make sure that they do get the best programs possible.

**Mr. Rosario Marchese:** What are the curriculum differences?

**Mr. François Lavictoire:** For example, the French-language population, working with the ministry, has decided on introducing the poem in grade 4 as opposed to grade 3. So when we look at the assessment of the grade 3 level in English, we do have a section that deals with poetry but not on the French. That would be picked up in grade 6, for example, because the program covering poetry starts in grade 4 as opposed to grade 3. By the end of grade 8, they will have basically covered the same things except it's covered at different times.

**Mr. Rosario Marchese:** But what's the rationale in terms of why we do it in different grades? Is there such a rationale? Or is it that they just do it differently?

**Mr. François Lavictoire:** It's done differently. A lot of it is cultural also. The French-language schools have a mission to really make sure that the culture is developed. There is not necessarily the same requirement in English schools. In elementary schools, for example, there is a lot of concentration on developing these speaking skills, because not all students who come into the program are necessarily fluent in the language, so before you can actually get into the—

**Mr. Rosario Marchese:** By the way, that applies to English.

**Mr. François Lavictoire:** But they do have ESL programs that are structured differently than the French-language program in elementary schools.

**The Chair (Mr. Norman W. Sterling):** I think we can understand language; we can understand that part, but what about mathematics? Why would there be any difference between a grade 6 program for an English student and for a French student?

**Mr. François Lavictoire:** Again, the core, it's the approach that is different. Math is tied a lot to language when we ask questions also, so it could be tied to language. The ministry—

**The Chair (Mr. Norman W. Sterling):** We're trying to figure out what's the difference in these things. Now we find out they're different tests. That's quite an explanation. I'm astounded that we have different tests because I would like to have some kind of idea as to how the general populace is working and whether or not the francophone system has a better system for mathematics than the English system.

**Mr. Rosario Marchese:** How do you compare them?

**The Chair (Mr. Norman W. Sterling):** Yes.

**Mr. Rosario Marchese:** I don't mind the differences, but how do you compare them?

**The Chair (Mr. Norman W. Sterling):** I'm sorry, I butted in on Mr. Ouellette. Mr. Ouellette?

**Mr. Jerry J. Ouellette:** Any questions?

Frankly, when we're dealing with this issue of parents making decisions on where their kids would go to school, if their focus is to deal with mathematics and they look at the mathematics marks for the grade 6 students, it may influence where that is, because everybody believes that it's a standard throughout the entire system. What we're finding out is that it's not, which is good to understand.

A question came up earlier on, I believe from our AG, regarding potential tracking for teachers or principals. Is there any information that would indicate whether one principal, with one school, would have that school's marks—because there's a rotation of principals, as I'm sure you're aware—and the increase or the changes in marks seem to follow those individuals because they're implementing different programs? Do you keep statistics like that or use that?

**Ms. Marguerite Jackson:** That's not in our jurisdiction; that is the jurisdiction of a school board to manage.

**Mr. Jerry J. Ouellette:** Okay. Would it be the same, then, if it's an identified school that has consistently low marks? Would there be allocations that would come into play to ensure that that school would be brought up to a standard that was found in that area?

**Ms. Mary Jean Gallagher:** As a matter of fact, we've had a very specific program operating for a number of years at the elementary level and have initiated one at the secondary level that focuses on assisting those schools that do have very low achievement. At the elementary level it's called the Ontario-focused intervention partnership, and in 2004-05, when it began, we identified schools where fewer than a third of the students were achieving at a provincial standard on EQAO indicators. That, at that point in time, represented 19% of the schools in the province of Ontario. The number of schools where students have achieved at that low of a level has now been reduced to 6%, I think, in the last round.

There is a very specific intervention program in which we've engaged. Some of our OFIP support goes to all school boards, because virtually all school boards have some low-achieving schools, but then we have very specific intervention programs for those schools that are low-achieving. In fact, we've now upped the ante. We consider low-achieving schools to be those where fewer than 50% of the children are making the provincial expectation, because that gives us a larger number of schools to work with. We've eliminated many of them.

For a number of years, our student achievement officers have been working with those schools. We've provided resources and supports in terms of additional book materials etc. to focus on the reading and the literacy. We've had student achievement officers working with the staff in the school to look at how you would engage in those strategies that actually do make a difference.

I would point out as well that our OFIP schools are a great success story from the point of view of demonstrating that demographics need not be destiny. Many of

our OFIP schools are the schools that have higher levels of challenge in terms of poverty or English-language learning or higher numbers of students with special needs. We have evidence in the success stories of large numbers of those schools that staff are becoming increasingly successful at ameliorating those challenges.

**Mr. Jerry J. Ouellette:** Good. One last question that I have is, are you noticing, particularly for grade 9 students, where the EQAO testing is a component of their final mark, a difference in the commitment? As the kids grow older—and quite frankly, I'm going to rush out of here and go do my parent-teacher interview with my grade 9—are you finding that there's a commitment? Because once they hit high school, they realize that this doesn't mean anything, so why should I try? However, if it means something to them, are you seeing a difference?

**Ms. Marguerite Jackson:** We don't know for sure; that decision is made at the local level. But we have introduced a question this year of teachers and we will be using the answers to that question—"Have you used any portion of EQAO as a part of the final mark?"—to see if there's a correlation between a teacher doing that and the result that a child gets. I would suspect there may well be.

**Mr. Jerry J. Ouellette:** Thank you.  
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**The Chair (Mr. Norman W. Sterling):** I'm going to allow Mr. Shurman about five to seven minutes, because of Mr. Marchese's intervention.

**Mr. Peter Shurman:** Thank you, Chair.

I'd like to go to a different area. A couple of months ago we did a pre-budget tour around the province. We get presentations, as you well know, from an awful lot of interest groups, both public and private. I just keep a running narrative on everything that I hear, and something struck me, so I consulted it. What I noticed was a bullet point under one of the teachers' federations that says, "Don't cut our members. Cut EQAO and numeracy/literacy for cost savings." Then there's a little editorial comment—I won't read it into the record—that I put in there.

Having said that, I'm interested in whether the office seeks to address what is apparent antipathy, or at least some push and shove, between some of the teachers' federations toward the EQAO mandate. Is that something that you observe, and, if so, how are you addressing it? You've talked in some pretty glowing terms here over the last little while—and, let me hasten to add, I think quite well and very professionally—about the great relationships you have with teachers. By the way, I don't question that either, but I suspect they are more one to one than in an umbrella way with groups. Can we hear some comments on that?

**Ms. Marguerite Jackson:** Actually, I would say to you we have great relationships with the teachers' federations as well. We just happen to have a different point of view.

**Mr. Peter Shurman:** Have you thought about running for office?

**Ms. Marguerite Jackson:** I met with Sam Hammond earlier this year, in January, prior to the bulletin that you're speaking about. He advised me that he had a motion that had been passed at his general assembly that was going to result in a magazine that was going to speak about assessment from the perspective that his members had given him. I shared with him the kind of information I've shared with you in terms of what teachers say to us. We always invite them to any of our symposia where we're doing training sessions about data. We also have them sit on an advisory council that meets at least twice a year to look at all of our processes and to advise us on what they see as acceptable or not.

In particular, I'd mention to you that about five years ago we undertook an initiative to really listen to people, because, as you may be aware, early in the agency's history there was a lot of dissonance about children being under stress, interfering with what a teacher was trying to do, teachers teaching to the tests. So we did a lot of listening to people and we implemented some changes as a result of what we heard. For example, we made the tests shorter. We didn't think that an eight-year-old needed to spend 12 hours for us to decide whether they could read and write as we would expect an eight-year-old to do. So we reduced the tests substantially.

It was at that point too that we said to the teachers, "Our commitment to you is that the tests will come directly from what you're trying to do. They will link directly to the curriculum. There will be no surprises here. These are the expectations of the curriculum. We're going to give children challenges to see if they can demonstrate that they've learned this."

So I understand that everybody is not with us, but I also understand that the schools don't just belong to those of us who are teachers. Others have the right to have confidence in what's happening for young people. In particular, parents have asked to know, "Is there a reference point that I can have confidence that no matter where my child goes to school in this province, completing this, I know that my child is getting the best shake out of this school system?"

**Mr. Peter Shurman:** Well, you know, I don't think you'd get any argument from me on that, and I suspect you wouldn't get any argument in this room on that. I think the argument, if there is one—

**Mr. Rosario Marchese:** He's a friend.

**Ms. Marguerite Jackson:** Okay.

**Mr. Peter Shurman:** Yes, that's true. Where it gets down to a bit of push and shove is if you've got some antipathy on the part of teachers' unions, federations, whatever, and you've got some teachers who are very supportive, as you've pointed out in various of your presentations and in some of the answers to your questions, and you've got some teachers who are on the other side of the fence, saying, "This is somebody breathing down my neck," for want of a better term. Then what is necessarily there is, as you've pointed out, some positive, some negative and the real chance for inconsistencies, which in some degree have been pointed out in the

course of this report and in some degree you have taken at face value, and you've tried your best, obviously, to even the thing out.

Give us a more expanded view, based on that foundation I've laid, for what steps you're taking to ensure that there is consistency in how teachers view what it is you have to do, so that in turn they apply it in an even-handed way, because that obviously affects results.

**Ms. Marguerite Jackson:** In my experience, life is mostly about relationships. What we have done is try to put a face to the agency that goes beyond a piece of paper.

We have a very small group of five people who spend their lives travelling the province, meeting with principals, teachers and parents, helping them to see the evidence that we have, talking with them about the way in which this evidence can be helpful to them, and listening to them, indeed, and learning from them.

We're doing the same with the federations. The people who lead the federations have been teachers at one point in time. They have the same kind of determination that children will get the best out of public education as they can. They're very concerned about using just a small piece of what education is about to say, "This is what a school is like."

We're concerned about that too. We know that schooling is much more than reading and writing, and we don't believe these results should be used to say, "This school's better than that school." We're working with them on that. I think we can find ways of saying people have a right to know what this school is about—

**Mr. Peter Shurman:** Well, sure, but how far can you get if what you've got is, at the first sign of financial trouble, the instantaneous response, "We'll get rid of EQAO"? Because that's what we're talking about. That's not me paraphrasing; that's a quote.

**Ms. Marguerite Jackson:** I don't think this is the first time that has been said. We put a lot of dollars to education. I don't think that \$15 per student out of a \$20-billion budget is very much money to have information that helps us know how to be sure that every child is getting the best shake out of it.

**Mr. Peter Shurman:** Okay.

**Mr. Brian Desbiens:** If I might just add: I've been extraordinarily impressed at EQAO at the engagement of teachers in the process. There are thousands of teachers who are involved in test item development, administration, assessments, expert panels—at all levels.

I suspect, in your own community, that not everybody loves you as a politician and that you probably have a few detractors—

**Mr. Peter Shurman:** Oh, you've been to Thornhill.

*Interjection.*

**Mr. Peter Shurman:** I know, Yasir, they all love you.

**Mr. Brian Desbiens:** What's important is to have the level of conversation. Last year we went and visited, as chair and executive director, with the unions, to listen to them and hear them. But the reality is there's a rhetoric at

a particular level, quite frankly, that I don't think is going to necessarily go away.

The conversations are still at that level with them, the conversations with teachers, school boards and principals, but what we're really focusing on as a board, quite frankly, is parents and students, not just educators. We really have set out a priority to talk with parents, to have a better understanding of the value, because they're the ones we're accountable back to. They're the ones who have asked for this accountability, and I think we have a ways to go there.

I absolutely respect the union and their role, but I think the value here is substantially greater.

**The Chair (Mr. Norman W. Sterling):** Okay. Ms. Sandals and then Ms. Van Bommel.

**Mrs. Liz Sandals:** I just couldn't resist throwing in a comment, as the person who has done the education stakeholder consultation on the grants for the last several years, that the comment that the first thing to do would be to cut EQAO is actually an annual comment. It isn't actually related to the economy. And you can tell that the government actually didn't listen to it.

**Mr. Peter Shurman:** The government didn't listen to any of those, but that's normal too.

1400

**The Chair (Mr. Norman W. Sterling):** Mrs. Van Bommel.

**Mrs. Maria Van Bommel:** This has been a very interesting discussion.

Earlier you mentioned something about how boys' writing skills seemed to have improved when they were given laptops; I know boys like technology and that. But it took me back to a time when my children were in school, which is before EQAO, and there was a fairly broad discussion around the fact that girls were not strong in maths and science.

Mr. Jones, you said that your questions are now trying to take out a gender bias. That being the case, can we tell if the girls are getting stronger in their math skills? Or have you kind of taken the questions and taken that out so that you can't tell whether the girls are actually getting stronger in the maths and then, hopefully, the sciences? I guess that's the first part of the question.

**Ms. Marguerite Jackson:** Actually, the girls, all the way through, are head-to-head with the boys, or the boys are head-to-head with girls in mathematics.

**Mr. Rosario Marchese:** Until grade 10, when streaming happens. That's where some of the separation happens.

**Ms. Marguerite Jackson:** We don't have mathematics at grade 10, but there isn't any reason why the girls wouldn't choose mathematics based on the information we have of their foundational mathematics skills.

I think those initiatives that you mentioned from 15 or 20 years ago have definitely made a difference. There are some of us who think that maybe similar initiatives would work for boys with reading and writing.

**Mrs. Maria Van Bommel:** You are able to tell definitely that girls are getting stronger in the maths?

**Ms. Marguerite Jackson:** Well, we're able to tell that they're as strong as boys. We're not satisfied with where all girls are or with where all boys are. For example, in the last year's grade 3 math test, 69% of the girls met the standard, and 67% of the boys did. This is across the province.

**Mrs. Maria Van Bommel:** You are able to gauge if there is, say, to be a drop in one side?

**Ms. Marguerite Jackson:** Yes.

**Mrs. Maria Van Bommel:** When we talk about taking out the gender bias, you're still able to gauge if something is going wrong or changing, if there's a shift? Okay. What would you do if there were to be a shift? How do you address that, then?

**Ms. Marguerite Jackson:** If there were to be a shift in terms of—

**Mrs. Maria Van Bommel:** If the boys started to drop in their writing skills, or if the girls started to drop in their math skills, what would you do then? What does that tell you?

**Ms. Marguerite Jackson:** It tells us we need to pay attention.

**Ms. Marguerite Jackson:** I guess so.

**Ms. Mary Jean Gallagher:** In fact, that's exactly the kind of analysis that we do regularly in the student achievement division. There are a number of responses based on what it is that we think is the cause for students not moving up as quickly as we would like them to. In some cases, we gather people together to say, "Where are the boards that, in fact, are achieving continued gains, and how are they doing that?" and distill that information from it. We're also involved quite deeply in a number of schools right now.

If you look at the achievement levels of our students, we have successfully reduced the number of exemptions over the last number of years from the tests. We've successfully reduced significantly the number of students who would be performing below level 1 in the work on their EQAO test. We've significantly reduced the students who are performing at level 1. In fact, the evidence in the data is that we've moved most of those students up into level 2. We are now at the point where we're looking very closely at those students whose work is being judged to be at level 2, working with their teachers and becoming very precise about examining what it is that the teacher does and needs to do in order to help that student make that journey from performing at level 2 to being able to perform at level 3, because that's where we have about 30% of the students in the province.

Interestingly enough, of that group who are at level 2, the majority of them are at the very high end of level 2 now, so we actually put additional resources in the field. We have 50 teachers who are working every day in classrooms with teachers looking at what it is that happens to successfully support that journey. That's not only a commitment to higher levels of achievement, but it, in fact, is part of our closing-the-gap strategy. We know that among those students in level 2, there is, at least in reading and writing, a higher proportion of boys, a higher

number of students than the average of children with special needs, and so on. So we're really becoming increasingly precise, both in what tasks will lead to success and which tasks match which sets of students' needs. We engage teachers in schools all across the province in professional learning dialogue, where they share with each other, in schools and across schools, what the strategies are that are going to address those things.

**Mrs. Maria Van Bommel:** You said that boys and girls are essentially coming to an equal status on the math side. When we started this conversation, we talked about the boys and the laptops and the writing skills. Is there still a gap among the boys in terms of writing and reading—

**Ms. Marguerite Jackson:** There is.

**Mrs. Maria Van Bommel:** —if they don't happen to have a laptop?

**Mr. Brian Desbiens:** We actually identified this. Part of our role is to take the data and identify what the gaps are. Quite frankly, as chair, briefing the minister—every time we met, we talked about that. Of course, the ministry has initiated some good interventions. We also initiated a research study, because we wanted to know whether this is a problem only in Ontario or is it unique to our curriculum, or whatever. The data definitely shows that this gap is a worldwide phenomenon.

We know that there are some boys who grow and develop a little differently than girls. The question then becomes, how do you differentiate the instruction in order to be able to get at it? In our research, which will be posted on our website for all educators, we're trying to identify some of the best practices that people are trying to do in this, and also to try to understand it.

One of the things is—we haven't talked a lot about it—there is a demographic profile in here. In addition to the test, the students also fill out a demographic. One of the things that jumped out at me when I was looking at the demographic was that they asked girls whether they write at home—notes or whatever—and asked boys whether they write, and there was a substantial difference between them. Little girls write notes, they do diaries, they write notes to their girlfriends; boys throw rocks. They just don't write very much. There are real differences, developmental differences. So we have to look at how we can do that over time.

But the optimism is that we've made a difference in science with girls. We had to figure out how to do it. We figured out that girls are doing really well in sciences now—as well as boys and better, in many cases.

I think that if we put our heads to it with the right data and work with teachers and educators, we'll be able to figure out how to do it. I think technology is one of those ways. Little boys love gadgets; we've just got to figure out how to get the gadgets to help them write a little bit more and read a little bit more.

**Ms. Mary Jean Gallagher:** There's another reason as well for some optimism. Most recently, if you look at the difference between a previous administration and the most recent administration of the PIRLS and TIMSS

tests, Ontario actually has demonstrated a reduction in the performance gap in language arts, or in language skills, between the boys and the girls. In either the PIRLS and the TIMSS, we went from a 20% gap in the average achievement of boys and girls to 13%. We've seen the same thing in another one of the international tests, where we've taken that gap from a 10% gap to a 5% gap.

There is some reason for optimism there. It begs the question: Why aren't we seeing that in our own EQAO tests? Certainly, I have some research staff who are working on exactly that question, but we are focusing on what the successful strategies are. The student achievement division of the literacy and numeracy secretariat just sent out to schools, in our most recent mailing in the fall, one of our DVDs, which is on educating boys and boys' literacy. It is a very rich DVD that is used in schools that delineates and identifies schools and practices where the gender gap has been minimized. They, in fact, have found ways to engage boys differently. We share that with all the schools in the province.

**Ms. Marguerite Jackson:** I would say that our data says that boys have to read to learn to read, and the gap in achievement is about the same as the gap in the percentage of girls who say they read and boys who say they read. This is not about playing with DSs or doing whatever; to learn a skill, you have to work at it, and the boys are going to have to read. We have to find the materials and we have to structure the circumstances so that they're reading, and reading the types of materials that are drawing upon their thinking, their interpretations and their extrapolations.

#### 1410

Sometimes it's so evident to us: 73% of the girls say they read at home, outside of school, and it's 61% of the boys. That about the same gap in terms of who's meeting the standard and who's not.

**The Chair (Mr. Norman W. Sterling):** Mr. Naqvi.

**Mr. Yasir Naqvi:** Let me just first start by thanking all of you for your strong contribution to making a strong education system. I find the whole discussion very fascinating.

I just have a few questions to ask, and they're sort of bits and pieces picking up from what other colleagues of mine have asked. My first question is a very simple one, because I can never figure this out. The correlation between what grade students are in and what age they are: Is there a simple formula I can remember? How old are the grade 3s, 6s, 9s and 10s?

**Ms. Marguerite Jackson:** Grade 3 children, when they finish grade 3, will become eight in that calendar year. So children who finish grade 3 in 2010 might have become eight in January, they might become eight in December. This is an interesting factor too, if you start the school almost a year ahead. So in grade 3, they're eight; at the end of grade 6, they're 11; and in grade 9, I guess they'd be what? Fourteen?

**Mr. Yasir Naqvi:** And grade 10s would be 15 years old. Okay, great. So there's no formula I can memorize? I just always have a hard time.

**Ms. Marguerite Jackson:** If you start with the year they enter grade 1, they would be six. You can sort of calculate it out from there.

**Mr. Yasir Naqvi:** Mr. Marchese earlier was trying to make a link between how the test scores are going up, but perhaps the quality of students, when they go to university or college, might not be that great, this common complaint that's always out there. I'm just trying to figure out why the tests might be going up besides all the good work that's being done by the achievement office.

One of the claims that has been made is that teachers now teach to the test and they prepare students for that test. Is there validity to that claim? Is that part of the reason we're seeing the scores going up, because kids are being taught according to the test?

**Ms. Marguerite Jackson:** To this extent: If they teach the curriculum, the children will do well on the test.

**Mr. Yasir Naqvi:** So if you follow the curriculum, the curriculum is designed to meet the factors that are outlined in the test.

**Ms. Marguerite Jackson:** That's right.

The other point, I think, particularly when you look over the years, is when you look at the early results on these tests, in the very first few years, they were quite low. The curriculum was also new at that point, and indeed, the alignment of the curriculum and the test happened as the curriculum was introduced. Teachers are much more familiar with the curriculum, they're looking at it—we have a very fine curriculum in Ontario, by the way. It's certainly the best that we've had in my career as a teacher. It's clear about what we're trying to achieve at various stages along the journey, it gives examples of how to do it and, of course, now they have evidence of whether kids are learning it or not.

**Mr. Yasir Naqvi:** Is the test designed to the curriculum or the curriculum designed to the test?

**Ms. Marguerite Jackson:** The test is designed to the curriculum.

**Mr. Yasir Naqvi:** So that it tries to then measure what's being taught to the children.

There was talk of remedial steps. There was talk about—again, it was Mr. Marchese who was asking the questions—those students, be it for certain abilities, who are not doing well, and I think someone mentioned that there are remedial steps that are taken. Are we talking about really fine-tuning to a particular student and then working on him or her to see if he can elevate them? Is that what we're talking about with remedial steps? If you can sort of guide us as to what those steps could be in a classroom.

**Ms. Mary Jean Gallagher:** The answer is yes, some of it is particular to individual students and supports that are provided to those students, but the data that comes back also leads the teacher to examine where the gaps that larger numbers of students in the class might have are. So it's both targeted to the class and targeted to the student. Our resources and supports to schools, say in the OFIP program, are actually targeted to schools where

there are larger numbers of children who have challenges of various sorts.

The kinds of interventions that we would be talking about range, particularly when you get down to individual students. We have resources that we provide to schools and boards that provide two forms of tutoring, for instance, in some schools. One is tutoring under an OFIP program where teachers are asked to provide additional tutoring supports for students who would have needs after school, and the other is another form of tutoring where we hire university students etc. to assist in classrooms with tutoring during the school day. In fact, we differentiate some of our funds to school boards and schools to provide summer literacy programs for students who may need additional assistance over the summer in order to be assured they can move forward with those literacy and numeracy skills that are foundational to their success later in school.

There's a whole raft of interventions that would take place in a school, whether they're designed to address a child who may have special needs or special education needs, such as the intervention of a teaching assistant in the classroom with those children to help them access the curriculum to be able to perform better. We have other students with special needs for whom there may be technical equipment provided. For a child who may not have the motor skills to be able to print or write properly, we would provide them with computers. Blind children are provided with assistance and mobility coaches. It ranges, and it's very much focused on what needs the students have.

**Mr. Yasir Naqvi:** Thank you. To what extent, in that type of intervention, are social factors being considered: language differentials—and I'm not just picking English or French; other languages that might be spoken—or the socio-economic status of a family, which might be impediments for a child to learn? Are those factors being taken into account when a plan is put in place to help that particular student?

**Ms. Mary Jean Gallagher:** Absolutely. And in fact, when you look at the data that tells us how our children are performing, one of the stories of the last five or six years on our EQAO tests is that the gap for English-language learners, for instance, in our province has significantly narrowed. That tells us that the interventions for English-as-a-second-language students coming to our province are in fact working much more successfully than they were a few years ago.

As well, in terms of the socio-economic challenges, we have seen instances through our OFIP program where schools which have faced a range of those kinds of challenges have, in fact, made a huge difference in children's outcomes. I was a director of a school board in southwestern Ontario, and I can think of one of my schools as an example. It was in an area of the city where probably 65% or more of the children lived in poverty, often in single-parent families in public housing. In excess of 45% of the children in the school were recent

immigrants to the community. So this was a school that had all of those challenges in its demographics.

At the beginning of the process, to our great embarrassment—and with teachers and a principal who cared desperately about those kids—that school was posting fewer than 20% of its children meeting provincial expectations and the provincial benchmark. After going through the turnaround and OFIP process over a period of two or three years, with that intervention and assistance, that same school raised its results to almost 60% of the children achieving at provincial standard. That was a direct result of hard work on the part of those same teachers and principal, but also learning through the intervention and support of the programs that the Ministry of Education provides, actually discovering that there were ways to approach the problem that can make a huge difference for those very children.

So have we levelled the playing field completely for all of those kids? No, we have not. The gap still exists. But Ontario has made some significant gains in that area and the core of that is essentially the basis of the work that my staff does every day.

**Mr. Kevin Costante:** If I could also add: Through the funding formula, we have a learning opportunities grant that is specifically focused on providing additional resources for boards where there are issues of poverty and low income. I believe that amount is around \$400 million a year.

**Mr. Yasir Naqvi:** Is my time done, Chair?

**The Chair (Mr. Norman W. Sterling):** Yes, it is.

**Mr. Yasir Naqvi:** Okay, thank you.

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**The Chair (Mr. Norman W. Sterling):** You'll have another opportunity in another round.

**Mr. Rosario Marchese:** I just wanted to make a few comments based on what Maria had raised, because I think boys—it's a matter of genetic stupidity, really. I think we have a defect, as boys, and I don't know how we fix that. Girls do better in everything, on the whole. In the studies I read many years ago, girls did better in math and the sciences up until grade 10, until they were culturally streamed out of those courses. It's changing now because we have higher participation levels of women in university than we do men. It has become a concern for a whole lot of folks in society, because boys are not going to university as much, generally speaking. But we do have this problem. Mercifully, boys tend to recover at age 23 or 24—not all, but they do—in terms of achieving some level of equality or maturity. But we do have a lot of work to do, and I'm not sure the test can solve that. We do have problems. There are a lot of great teachers who solve some of these gender problems.

We know that we can learn from great teachers; we just don't know how to apply it board-wide. That, for me, is the difficulty. We have to solve this boys problem. It continues to be an issue, and we haven't yet found generic ways of dealing with it.

Peter Shurman raises some questions about what strategies you have to deal with the federations, and I was

thinking, "What an interesting question." You know Marchese has made some comments about your office over the years because you read Hansard, I'm assuming.

**Ms. Marguerite Jackson:** I've noticed them.

**Mr. Rosario Marchese:** So I thought, "Hmm, do they have a strategy to deal with Mr. Marchese?" But you don't have to answer that.

There are some issues that the Auditor General raised—

**The Chair (Mr. Norman W. Sterling):** They work in the realm of possibilities.

**Mr. Rosario Marchese:** It will take some work.

The Auditor General talks about—and you've answered it in part, Marguerite. Maybe Brian has touched on it too. There was one board that used the—I'll just read it from the report: In the 2008-09 year, one of the school boards visited by the audit team "decided that EQAO results would count for 15% of the student's final Grade 9 mark."

I'm assuming that there's only one board that you're aware of, but there could be more. Is that correct?

**Mr. Jim McCarter:** It could be a range. It could be from 0% to—I think the highest was a solid 15%.

**Mr. Rosario Marchese:** So different boards use different marks: "The degree to which these test results form part of the final mark is inconsistent province-wide, ranging from zero to 15%." He raises a good point, which speaks to inconsistencies, obviously, and I don't know what your position is. Do you have a position, or does the ministry have a position on how to deal with that? If some boards are using that, that could show a higher mark than others based on how some students do in some boards. Therefore, they look good by applying a higher number to that, I'm assuming, but it does present some problems. I don't know whether either of you have a position on this in terms of how you deal with the inconsistency.

**Ms. Marguerite Jackson:** Well, we've accomplished much if not all of our work by building collegial partnerships. I think there is an opportunity for us here, if we can demonstrate that it makes a difference when a teacher takes a part of the EQAO test and puts it on the final mark, to work with teachers to say, "Look, this makes a difference for kids and for your schools, and we strongly encourage you to do it." As it is now, the curriculum guideline allows the teacher—and I think rightly so—to determine how a child will get his or her final mark, and they may determine to use a number of things to contribute to that final mark. That's their call.

**Mr. Kevin Costante:** As I understand it, EQAO is going to be looking at whether there's evidence in this upcoming test year around including in the final mark some of the EQAO testing results. I think the ministry will be looking at results coming out of this year, and we'll see whether we need to develop a policy or more consistency province-wide. I think we want to see the evidence first.

**Mr. Rosario Marchese:** Part of the worry—and I think it connects to a question I was going to ask about

the survey the OSSTF did a couple of years ago, that you're aware of, where 40% of the respondents claim that they are under tremendous pressure to increase numbers. You've heard about that, obviously.

That presents a problem. If teachers are under pressure, presumably from the principal—and principals presumably are under pressure from somebody else—to deal with that so that they're more lenient about the kinds of marks they give, does that affect in any way this issue I just raised? How do you deal with it in general?

**Ms. Marguerite Jackson:** I would hope that the pressure teachers would feel would be if a young person were leaving their class at the end of a term without having achieved what you wanted them to achieve, the sense of, "I didn't do the best I could by that kid." That's the kind of pressure I think would be there. I think it has been true. In the educational community in recent years, there is much more of a culture of expectation that every child should be able to achieve what we're expecting at various stages along the way.

**Mr. Rosario Marchese:** Sure. Of course.

**Ms. Marguerite Jackson:** That, I think, is the pressure, and that's quite different from streaming kids on a bell curve.

**Mr. Rosario Marchese:** Yes. The pressure I'm talking about is where a student has a 40% mark and the teacher is pressured by the principal to give a 50. The pressure I'm talking about is where a paper has been plagiarized and there's pressure to not condemn it too much, or not to lose the marks or as many marks. You must have seen that study by OSSTF. That's what I'm talking about.

**Ms. Marguerite Jackson:** I guess what I would say is, should that happen, that's unethical behaviour. I would hope it's the teacher's interpretation as opposed to a direction. But we have had occasions where we've had to sanction people for improprieties in terms of directions that they have given to teachers.

**Mr. Rosario Marchese:** How many times has that happened, where you sanctioned someone?

**Ms. Marguerite Jackson:** In the last five years—

*Interjection.*

**Ms. Marguerite Jackson:** Four or five times, and the college of teachers becomes involved in those cases, because it is a matter of professional ethics and there can be some very serious consequences, and there have been some very serious consequences for teachers. We all live and abide by a professional code of ethics, and then we live and abide by a moral code.

**Mr. Rosario Marchese:** There is tremendous pressure on the system to deliver the results that some people are expecting. That's why I think this is a very real fear and a reality, because I hear it from a lot of teachers. This isn't just based on the study. People email us and talk to us about these things. I just wanted to raise it.

The Auditor General raises another issue about fluctuations in the marks in different boards. Sometimes they're very wild. He alleges—you don't allege that, but you say that—that you don't undertake a formal analysis

or investigation to determine the cause of sudden or significant changes. Why is that?

**Ms. Marguerite Jackson:** I think the Auditor General would confirm that for the most part, what the team found when they came to look at our work was that we have our processes very clearly documented in writing. In this case, we didn't have a documented process. It is a fair observation: The process we had used in the past was one where Michael would bring the reports to me and I would look at them with him, board by board. Typically what I would say to him, as we were getting ready to report, was, "Okay, we're ready to report. What are the results, first of all?" Then secondly, I would say to him, "Of the 72 school boards, is there anything unusual about any of these?" If he told me a school board went up 10%, I would say to him, "Let me look at the schools there." We would look at the schools to see who contributed to that 10%. It is true, I didn't have that all documented in terms of, "This is what I do on this date and that date," but I will have it for the next time, because we do do that.

If the school board's results seem questionable to me, just from the perspective of, "Could that be reasonable?" I call the director of education, and have done that in past years.

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Either way, incidentally: In some cases boards drop, and I call the director to say, "Would you be surprised to know that your board is dropping by 8%?" That, of course, is particularly significant if you've got a large school board, with 15,000 kids—

**Mr. Rosario Marchese:** So you do that in individual cases, but is that the formal process that you use when you see these erratic changes or wide fluctuations? You might call or you would call? Is that the formal procedure?

**Ms. Marguerite Jackson:** That's part of it, and then if we have a concern, we would require an investigation of what contributed to the fluctuation, particularly if the fluctuation was dramatically up. In that case, the superintendent is required to become involved, and in the future, the superintendent will be required to submit a written report to us of what the investigation was and why he or she has confidence that the results are valid.

**Mr. Rosario Marchese:** So, Jim, does that constitute a formal kind of process, or are we looking at something different?

**Mr. Jim McCarter:** When we asked the question, we said, "Have you looked into it?" They said, "Yes, we have." We said, "Well, can you show us what you found?" There wasn't documentation in a lot of cases, so we'd like to see the documentation. The second step would be, we think it's great to go back to the school and actually ask for something in writing: "Can you explain the fluctuation?" That's the sort of thing we'd be looking for, so that's good to hear.

**Mr. Rosario Marchese:** Okay.

I wanted to ask you a question about the confidentiality agreement you have with the markers. Could any one of you explain why you have it? What is your

worry about markers not being able to talk about how they mark or their experience? Why do they sign confidentiality agreements?

**Ms. Marguerite Jackson:** Rick, do you want to speak about the confidentiality agreements?

**Dr. Richard Jones:** Sure. We expect scorers to sign confidentiality agreements because, on the one hand, we actually encourage teachers to talk in general about the kind of processes that we go through in scoring. They're very systematic, very consistent processes. The training is exceptionally strong in terms of how we go about training our scorers and so forth. We really like the idea of messages like that getting back to the field around the rigour that's a part of the scoring process. But you have to remember that we're scoring operational—those are the actual items that are being scored that count toward a student's mark or score—but we're scoring field test items as well. We want to be sure that there's no information, particularly around those items that are going to be used in the future on future assessments, that could get out to the field.

**Mr. Rosario Marchese:** Okay. So if a marker wants to talk to a journalist, just to talk about what their experience is, could they do that now?

**Dr. Richard Jones:** About the general experience and the general process? I wouldn't have a problem with that at all. But to get into the specifics of the particular items, particularly when you're talking about items that would be field test questions, is something that we would be concerned with.

**Ms. Marguerite Jackson:** What we wouldn't consider acceptable is their speaking on behalf of EQAO—

**Mr. Rosario Marchese:** Absolutely; I'm assuming they wouldn't want to do that.

**Ms. Marguerite Jackson:** If they speak as an individual citizen or teacher, that's up to them, but to speak about our processes on our behalf, no.

**Mr. Rosario Marchese:** So the confidentiality agreement doesn't prevent them from talking to journalists if they wanted, in a general sort of way?

**Ms. Marguerite Jackson:** Many of them probably have over the years.

**Mr. Rosario Marchese:** Actually, they haven't.

**Ms. Marguerite Jackson:** They haven't?

**Mr. Rosario Marchese:** No. They're quite afraid, in fact.

**Ms. Marguerite Jackson:** Are they?

**Mr. Rosario Marchese:** Yes, and that's why I ask you, because I would love for them to talk publicly.

**Ms. Marguerite Jackson:** What would they want to talk about that they don't feel comfortable talking about?

**Mr. Rosario Marchese:** Some of the questions you get from the subjective questions are that some of them are encouraged to mark up, not down, usually.

**Ms. Marguerite Jackson:** Really?

**Mr. Rosario Marchese:** We get that. And often they talk about how, in the subjective questions, as long as they touch on various parts of the answer—it doesn't have to be eloquent, even—however erratic, they get a

mark or they get the marks that they need; that kind of thing.

**Ms. Marguerite Jackson:** Well, if that were the kind of thing they were going to talk to a journalist about, it would not be acceptable, because they've misinterpreted our directions. Rick would want to speak about the scoring rubrics and the training we give to the scorers.

**Mr. Rosario Marchese:** Right. So can I ask you—I understand that your techniques or whatever you do is very rigorous. That's what, I think, Jim has said, and you would admit to that. So one assumes, and I forget the language—it's on page 9, about how thoroughly you do this. "At the beginning of the marking process, all markers are provided training to develop a common understanding for interpreting and applying the requirements." So even though it's thorough and there's a common understanding, some people possibly just didn't quite get it. Is that what you're thinking happens?

**Ms. Marguerite Jackson:** It does. We're all human. We do have a process, though, if we sit down to mark the same piece of paper, to get as close to the likelihood that each of us would give the same score as possible. Either Michael or Rick could speak about that process.

**Mr. Rosario Marchese:** But none of them are under any pressure to mark up—none of them?

**Ms. Marguerite Jackson:** No. But we do do random checks. If you were a marker and you mark for us, we do random checks of your mark against expert papers to ensure that you're following the expected scoring rubrics and we retrain, if necessary.

**Dr. Richard Jones:** Before anybody can score at all, they have to pass a qualifying test—before they can even begin. And if there's any retraining that's required, we go through that process with them.

**Mr. Rosario Marchese:** But if somebody wanted to be interviewed—sorry.

**Mr. Michael Kozlow:** It's also important to note that our scoring rubrics and samples of student work that are assigned particular score points are on our public website, so that if you have a particular question in mathematics or a reading item, we clearly describe what is required for a student to demonstrate this score-code point, and here's an example of a student's response that does that. The criteria or the main direction that we give to scorers is to try to match that. So you look at a student's work and you say, "It doesn't match this student's response," they're not told, "Score high or score low." They are told, "Match to that evidence of that student's work to decide which score to give."

**Mr. Rosario Marchese:** I understand—

**The Chair (Mr. Norman W. Sterling):** Mr. Marchese, you may get a chance at the end, depending on the other parties, but—

**Mr. Rosario Marchese:** Thank you very much.

**The Chair (Mr. Norman W. Sterling):** Mr. Shurman.

**Ms. Marguerite Jackson:** We're quite pleased to meet with you at any time, just separate from this, to

show you our processes so you can see how we do this work.

**Mr. Peter Shurman:** You might want a day.

*Laughter.*

**Interjection:** It took the auditor seven months.

**Mr. Peter Shurman:** I just have a couple of final points that I'd like to make with you. I like to bring things down to a bottom line. When I compare you to some of the people who we sit and talk to in this room, there's no question of professionalism. Sometimes that's not the case. What we're looking at is a professional group that tries to administer a test or several tests even-handedly, and I recognize that.

However, if I did bring this down to one word, I would say the word that's being questioned or discussed by all of us and in the Auditor General's report is "consistency." It's a hard thing to achieve for you; it's a hard thing for us to get our arms around. If we can focus on consistency for a second, there are a couple of questions that come to mind. Consistency would enter into the issue of how individual teachers behave, how individual principals drive the process, how individual schools—what the makeup of those schools is, and areas—we've heard about linguistics today.

Let's talk about the makeup of the test. The EQAO scores, as you have, with some pride, pointed out, have been going up year after year. Does your office have the capability of analyzing past scores on an isolated basis in just the area of multiple choice, separating it out, then, from what we could describe as the subjective portion of the tests? Because I think that might be a more apples-to-apples way of looking at things.

**Ms. Marguerite Jackson:** Michael?

**Mr. Michael Kozlow:** Yes, certainly we do. We use a very well established statistical procedure for equating from year to year, and in that equating, we do include both multiple-choice and open-response items. That's important because student skills can change differently. For example, if teachers take a heavy focus on helping students to respond to open-response items, to identify inferences, to make connections, the performance on those items might improve more than on multiple-choice, so we ensure that both are included.

The purpose of the equating is to place the students in 2009 and those students in 2008 on a common scale so that we have high confidence when we say, "This group of students in 2009 received a level 4, and a different group of students received a level 4 in 2008, but those groups of students demonstrated the same level of knowledge and skill in order to be assigned that level."

We do sometimes examine what happens if we do equating using only multiple-choice items, only open-response items. For example, in a particular test, we might have more than half of the test on open-response items and less than half on multiple choice.

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So we can look at that, and we can look at it over the years. We haven't done that in a systematic way but periodically we do look at that. We see some minor

differences. You don't usually see large differences if you just factor in only multiple-choice items as opposed to the open-response items—

**Mr. Peter Shurman:** If I asked you, though, to do the same yardstick type of measurement using multiple choice only and provide us with a read, could you make the same statement? Could you say, based on multiple choice only, which is far less subjective, obviously, that there has been a steady rise in EQAO scores?

**Mr. Michael Kozlow:** I would expect, yes, we could do that analysis to get the formal answer, but each year when we do the equating, we examine all the items very carefully on the test. In order to do the equating, some students in the previous year write these items—what are called matrix items, so they're imbedded in the test. The students don't know which ones they are, so we can compare students in 2008 writing the exact same items as the students in 2009.

We look at differences in multiple-choice questions—differences in performance from year to year in multiple choice and open response. We see changes in both, so my expectation is we would—it may not be exactly the same magnitude because the open-response items measure different things. It might be a greater magnitude in some years, depending on what is happening in schools. But I definitely am confident that we would see a similar pattern across the years if we evaluate only multiple-choice items.

**Mr. Peter Shurman:** How hard would it be to do, if I asked you to do it?

**Mr. Michael Kozlow:** It would be feasible.

**Mr. Peter Shurman:** I don't know if I'm asking you to do it; I'm thinking about it. Let me ask you another question, though, that is involved with the very same thing. Which tests, by grade, have the multiple choice included, or do they all?

**Mr. Michael Kozlow:** All have some multiple choice.

**Mr. Peter Shurman:** All have some, but varying amounts?

**Mr. Michael Kozlow:** Yes. The one that has the least proportion of the assessment in multiple choice is the writing. It's logical.

**Mr. Peter Shurman:** Of course. Is there, by grade, any one that has the least amount of multiple choice or are they all about the same percentage?

**Mr. Michael Kozlow:** For the mathematics assessment it's a fairly similar pattern across the grades, and likewise for the reading assessment. It's a similar pattern.

**Mr. Peter Shurman:** Thank you very much.

**The Chair (Mr. Norman W. Sterling):** Just a supplementary on that: Is there any multiple choice in the writing at all? I don't know how you would do that.

**Mr. Michael Kozlow:** We do have a small number of items. For example, on the grades 3 and 6 assessments there are eight multiple-choice items. They measure things like punctuation. For example, which of the following sentences has correct punctuation? They can measure word usage: Which of the following is using the verb correctly in the sentence? Verb-subject agreement:

Which of the following has a correct supplementary clause used in the proper way? Those kinds of things.

**The Chair (Mr. Norman W. Sterling):** Those multiple choice, are they marked by automation?

**Mr. Michael Kozlow:** Yes. The student's response is recorded in the computer. There's one correct response and if the student chose that response, it's right. If they didn't choose the response, it's scored wrong.

**The Chair (Mr. Norman W. Sterling):** And how long would it take you to do this analysis for the past 10 years for the committee?

**Mr. Michael Kozlow:** We wouldn't be able to do it for 10 years because the structures of the tests have changed a little bit. Certainly, it would be quite feasible to do it back to 2006, because that's when the structures of the tests had been very common; 2004 was when we introduced, after the external review, a change in the structure of the tests. Although, again, you can change the structure of the test but still keep the results comparable by having, as I said, common items that you can compare. I don't know exactly how long it would take. It would probably take several days of someone's time to do all that analysis.

**The Chair (Mr. Norman W. Sterling):** Thank you very much. Mr. Naqvi.

**Mr. Yasir Naqvi:** As we were having this conversation, I was thinking, has anybody seen these tests we're talking about? I've never seen a test—not that I want to take it. Do you think we can get a copy, Mr. Chair, of the test so we can at least see what they look like?

**The Chair (Mr. Norman W. Sterling):** I'm not sure. Are they public documents?

**Ms. Marguerite Jackson:** Actually, I would invite you to go to our website; a number of the tests are there. We have, on occasion, published the tests, and they've been in the newspaper, particularly the grade 10 literacy test. Yes, there are samples of all of our tests there. We've put them there, again, so the teachers can learn from the feedback we give them. They can look at the type of question we were asking, know what we were trying to get and see whether or not—we also put there samples of what good answers look like, particularly in terms of those answers that are written out. The teachers use this a great deal. It's there for the public as well.

**Mr. Yasir Naqvi:** What's the website?

**Ms. Marguerite Jackson:** It's eqao.com.

**Mr. Yasir Naqvi:** Thank you. I know what I'm doing tonight.

I just wanted to bring this conversation around to the full-day learning initiative, which is being rolled out in the province of Ontario, and hear from you, maybe from the deputy minister, perhaps, or the ADM, as to what kind of impact you are hoping or expecting to see on these tests starting in grade 3 because of the full-day learning initiative.

**Mr. Kevin Costante:** I think what we are expecting to see is perhaps similar to what we're seeing in the French-language boards. You'll note that their reading and

writing scores in grade 3 are higher than the English-language boards'. The French-language boards have had full-day learning for about 10 years now, for the most part. We are expecting to see, over time, an increase in those scores.

As well, I think there has been a number of studies that show that early learning does pay off in terms of kids being ready to learn in grade 1, so we are obviously implementing early learning based on all that evidence that has grown up over the years that this is a good investment in the future of our children.

**Mr. Yasir Naqvi:** That raises an interesting point. We were talking about the differences between the tests for English and French students. Part of the reason, perhaps, the French test is different is because of the full-day learning already in place. Are there any special parameters or barometers you use or are thinking of using, once full-day learning is fully implemented, because you think that there will be changes in the learning behaviour of those children, as was outlined by the deputy minister, so you need to test in a different way or maybe in a stricter fashion? Is there any thought put into place on that?

**Ms. Marguerite Jackson:** The test is different because the French-language community has its own curriculum. As I said, generally the principles that are in the curriculum are similar. As François said, there are cultural interests in terms of the francophone community. But just as we have a book here that describes the expectations in English, there is a book in French for francophones. We have a francophone team on our staff which develops the French tests. We work with francophone teachers who teach those children to help us build the stories, the test items etc. That's the difference in them.

Do they still learn to count? Do they still learn to read? Do they still learn to draw inferences? Yes, the same kind of specific principles, but there may be some nuances of uniqueness, as François pointed out.

For example, when we test the grade 3 children, one of the genres they are to have learned and worked with by the end of grade 3 in English is poetry. That is not the case in French; it's not until grade 4. So we don't test that genre until the grade 6 test for the francophones.

The threads that run through the curriculum would be very, very similar.

**Mr. Kevin Costante:** One of the things that we are going to look at in early learning, and we're doing that research now, is right now—I believe it's in senior kindergarten—many schools use an EDI test, educational development index, which tests kids on five different components of their knowledge and preparedness.

I think the percentage of kids coming into grade 1 who are lacking in one of those five competencies is somewhere in the high 20s. So one of the things that we're considering is whether we use this more broadly. Over time, then, we can see whether early learning is actually reducing that and make sure that we have evidence to show that kids coming into grade 1 are better prepared.

The real test of early learning is going to be a continued reduction of the number of kids coming in who are struggling with one of those five strengths.

**Mr. Yasir Naqvi:** Brian, do you want to—

**Mr. Brian Desbiens:** Yes. I think the deputy has pointed out that perhaps EQAO might be helpful in using some of our processes of gathering information, so that we can be helpful in terms of tracking that and looking at what makes a difference.

When I have this conversation out there, parents do not want their kids being tested more. We're not talking about more pencil-and-paper tests and stuff like that; we're talking about instruments that are already being used that are really more observational. But the importance here is to get a standardized approach across the whole province so that we can get a proper baseline, and then do the kinds of intervention—some of the processes and analysis that EQAO has been party to could maybe be helpful. It becomes a beginning point that the educational system could use for decision-making.

**Mr. Yasir Naqvi:** Great, thank you. I have no further questions.

**The Chair (Mr. Norman W. Sterling):** Thank you very much. This draws our hearing to a close. I'd like to thank everyone for coming today. I think you got from the general tenor of all members of the Legislature who are here today that there's a lot of support for the work that you're doing. We would like to help improve that process, and that's how the public accounts committee considers its role: trying to help people who are charged with implementing government programs and doing what we can to encourage senior people to take those steps to improve whatever we're doing. I'm sure our report will be in that tenor.

I would ask members of the committee to stay for a few minutes after you leave. We'll have the opportunity to give our researcher some ideas that we would like included in the report.

Thank you again for coming. Have a safe trip home.

*The committee continued in closed session at 1450.*







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# Official Report of Debates (Hansard)

Wednesday 14 April 2010

# Journal des débats (Hansard)

Mercredi 14 avril 2010

## Standing Committee on Public Accounts

2009 Annual Report,  
Auditor General:  
Ministry of Health  
and Long-Term Care

## Comité permanent des comptes publics

Rapport annuel 2009,  
Vérificateur général :  
Ministère de la Santé  
et des Soins de longue durée

Chair: Norman W. Sterling  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTS

Wednesday 14 April 2010

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
COMPTE PUBLICS

Mercredi 14 avril 2010

*The committee met at 1231 in committee room 1, following a closed session.*

2009 ANNUAL REPORT,  
AUDITOR GENERAL  
MINISTRY OF HEALTH  
AND LONG-TERM CARE

Consideration of section 3.13, teletriage health services.

**The Chair (Mr. Norman W. Sterling):** Good afternoon and welcome to the public accounts committee. Today we are dealing with teletriage health services. This hearing results from section 3.13 of the auditor's 2009 annual report, which came out in early December 2009. As you know, the public accounts committee holds a hearing on such matters, and then we will be reporting to the Legislature on our findings and making recommendations, which will be in addition to what the Auditor General's report has put forward and his recommendations.

I'll ask the fairly new deputy minister to make some opening comments and introduce the other people who are with him at the table.

**Mr. Saäd Rafi:** Thank you very much, Chair. I am pleased to be here, as you note, less than two months in this role. I hope the committee members take that into consideration. I can tell you that I have enough information to make staff very worried.

In all seriousness, before we launch in, I'll introduce the colleagues I have at the table with me. At my immediate right, with the Ministry of Health, is Mary Fleming, our director of the primary health care branch; and on my immediate left is Bruce Woods, who's the president of Sykes Assistance Services. He has two of his team members with him: Gena Horseman, who is the VP of clinical services, and Denis Thibodeau, who is the VP of information technology. Hopefully I got those titles correct.

On behalf of the Ministry of Health and Long-Term Care, I would like to thank the Standing Committee on Public Accounts for the opportunity to present on the Auditor General's report on teletriage health services. I'd also like to thank the Auditor General and his team for what is some thoughtful and very balanced work. I hope that we reciprocated as well with our co-operation. I think the ministry certainly recognizes the importance of

providing confidential, timely access to teletriage services that meet the health needs of Ontarians, and also services that are effective and offer the best use of the health care dollars that are available to the province.

The ministry welcomes the recommendations made by the Auditor General, and I'd like to share with you how we're already moving on the recommendations to try to enhance the existing safeguards and processes of the province's teletriage services.

I'll just give you a brief overview of the services and the important role they play within the health system by starting with an update on Telehealth Ontario, then touch on the telephone health advisory service, and, finally, review the Auditor General's recommendations and the ministry's response and next steps in partnership with Sykes Assistance Services in improving and strengthening Ontario's teletriage services.

Telehealth Ontario supports Ontarians using the most appropriate health care services to meet their needs. It provides ready access to confidential and important health information and advice from a registered nurse. It supports consumers in making the best decision to access the kind of care they need when they need it.

Telehealth nurses are available 24 hours a day, seven days a week through a toll-free dedicated number. The services are provided in English and French, with translation support in over 120 different languages. Telehealth nurses help direct callers to appropriate health care options, whether it's self care at home, going to see their family doctor or, in some cases, seeking emergency health services.

Since the program's inception in 2001 to March 31 2009, Telehealth has received more than 8.8 million calls. It has received an average of 2,700 calls per day, and that's based on 2008-09 data. About 50% of those users are repeat callers, from what we know. Callers also have access to medication information services available through the Ontario Pharmacists' Association.

Telehealth also plays a key role in supporting a number of other government initiatives and priorities. Primarily, it is a component of the Ontario Health Plan for an Influenza Pandemic, and it supports the colorectal cancer screening program in screening callers and answering questions about the program, and the provision of fecal occult blood test kits.

Telehealth Ontario also supports Health Care Connect as the primary intake method for getting patients into the

program that helps individuals find a family physician in their area.

**1240**

I'd like to move now quickly to the telephone health advisory service, or THAS. It's an after-hours telephone triage service that is available to enrolled or registered patients within a primary group practice. It offers access to free health advice and information after hours, on weekends and on statutory holidays.

THAS also offers patients access to an on-call physician. This was designed to support primary care physicians in providing 24-hour access to health care services to their patients. As of April 1, 2009, this service was serving 615 primary care groups, with more than 6,700 physicians and over 8.3 million patients.

The Auditor General makes six recommendations in his report regarding the province's teletriage services. Overall the recommendations focus on the following issues, as you know:

- increasing the use of the service;
- increasing confidentiality measures to better protect private information of callers;
- shortening the time callers wait to speak with a nurse or to be put in touch with an on-call physician;
- ensuring teletriage nurses have optimal experience;
- ensuring that the fees paid to the teletriage service provider are reasonable and comparable with other provinces;
- and, last but not least, expanding the ongoing evaluation of teletriage services.

What have we been doing since the report? I want to assure you that the ministry has been taking steps to address all of the issues raised in the report by the Auditor General, using a range of approaches in which to respond.

In addition to the ongoing public education campaign as part of the health care options advertising—you may have seen some of the commercials on TV and in print—the ministry is measuring the public's awareness and usage of teletriage services. We hope to have those results very soon.

We've also developed a comprehensive survey, which was conducted in March, that captures the awareness and use of teletriage services. It's focused on seniors and especially residents in northern Ontario, in order to better obtain valuable information from the populations noted in the auditor's report.

We're exploring the possible use of an 811 telephone number for teletriage services, as was recommended.

The ministry will review and monitor how long callers are waiting to speak to a nurse and the number who hang up before they are connected to a nurse. The objective is to improve the response time to ensure that all callers' questions are answered in a reasonable amount of time. We've also been working with the service provider to streamline the current call management process, to have requests for phone numbers and addresses of community services potentially handled by non-nursing staff.

As well, the ministry is reviewing ways to ensure that on-call physicians respond to their pages on a timely basis, a key finding of the auditor. We will also review the recommendation to measure wait times for those callers. We're now receiving data from the service provider about the pages that are sent and which of those have gone unanswered. While these are small in actual number, it is important that callers have access to on-call physicians; that's the purpose of the service. This data will be monitored monthly to ensure contract compliance.

The ministry will ensure that requirements set out in its agreement with the service provider are followed regarding the experience and ongoing training of tele-triage nurses. We'll also work with the service provider to research and review ways to determine the impact of the advice provided to callers. We've implemented additional reporting requirements that document monthly data on nurse training and a quality assurance program with the co-operation of our service provider. Necessary action will be taken to ensure that all requirements are met. Nurses must also now document when they give advice that deviates from clinical guidelines and explain why.

The ministry has consulted with the Information and Privacy Commissioner, and those discussions continue, regarding the collection of health card numbers for purposes of determining the impact of the advice provided to callers. We're continuing to examine the impact this change would have on the service.

In the area of quality assurance, the ministry has implemented additional reporting requirements that document monthly data on nurse training and quality assurance. We'll act to ensure that the service provider is meeting all these requirements, and we know we have their full co-operation.

The ministry will conduct a formal and external evaluation of teletriage services this fall to measure the overall effectiveness of the program against its identified objectives. This will include independent satisfaction surveys of callers, physicians and emergency department staff as well.

The ministry has also consulted with the Information and Privacy Commissioner regarding regular recording of calls. We have been advised that this practice is allowable as long as callers are advised in advance and are given the opportunity to opt out. The ministry will work with the service provider to ensure that appropriate mechanisms, safeguards and retention processes are in place prior to taking this step. Taping calls will assist with ensuring the quality of advice provided by nurses.

The 2007 procurement process for teletriage services provided assurance that the amount paid for the service is competitive within Ontario. Still, the ministry has consulted with several other provinces about their payment structure, as identified by the auditor, and the provinces were only willing to share a high level of information—we did get some information from them, but not to the level of detail that we hoped for and had expected.

Generally we found that the prices vary based on standards and types of services offered. Only one other province, if I'm not mistaken, offers an almost identical service that is also provided by Sykes Assistance Services. We're currently exploring different ways to streamline the current services, with the goal of making them more cost-effective. I would note that where the other provinces provide telehealth services, they're provided in-house. The preliminary cost information we have is—what we corroborated from what the auditor found from his calls—that we don't believe those costs are fully loaded costs, because they're services that are provided through their allocation from government.

In the area of the importance of teletriage services, we believe that they obviously are an important component in maintaining a health system that is focused on providing access to patients—from an experienced nurse who can serve to allay the concerns of an anxious new mother, for example, and save her and the system an unnecessary emergency room visit.

In closing, we'll continue to work hard to maintain the quality, efficiency and integrity of the province's teletriage services.

We'd be happy to answer your questions in the time we have, or provide Mr. Woods an opportunity for remarks.

**The Chair (Mr. Norman W. Sterling):** Thank you very much, Deputy. Mr. Bruce Woods, president of Sykes, has asked to say a few words to the committee, and he has provided us with his opening remarks as well. I might point out to committee members that Mr. Woods and the Ministry of Health have provided an update as to how they're meeting the recommendations of the Auditor General, and those reports are with you as well.

Mr. Woods.

**Mr. Bruce Woods:** I just have a few brief comments to tell you a little bit about who we are and what we do.

First, a few introductions: I'm Bruce Woods. I'm the president of Sykes Assistance Services Corp. Unlike my neighbour Saäd, I've been there for a long time. I've been there since 1987, 23 years. Since about 1995, I've been the president. Just to give you a little colour on my background, prior to joining this firm, I was in corporate banking with the Bank of Montreal, and prior to that I was a bean-counter with Price Waterhouse. In terms of academics, I did my master's in business at the University of Western Ontario, my bachelor of sciences just across the street here, and 30 years later I'm working on a master's degree in public health. That's just a little bit about this character.

On my far left is Mr. Denis Thibodeau, a big Habs fan. He's a business school graduate. He has been with us for about 17 years. Denis is responsible for all our IT and one of the most contentious areas of our business, the workforce management. He's the individual charged with the responsibility to make sure we have the right number of people in the seats, at the right time, to meet service levels. If there are any questions later as it relates to IT and workforce management, Denis will be the guy that can help us with telephony and routing and whatnot.

On my immediate left is Gena Horseman. Gena is a registered nurse. She has been with us for about nine years. She has come up through the ranks. If there are any questions as it relates to nurse recruitment, retention, and quality of health advice, Gena will be happy to help us out.

Briefly, because we are a private-labeled service provider, the name Sykes isn't on the tip of everybody's tongue. We provide private-labeled services to a number of corporations.

I just want to give you a little colour in terms of who we are. Our head office is located in London, Ontario. We currently have about 1,100 employees in Ontario and New Brunswick. That's not including the ICT acquisition. Of that 1,100 employees we have, about 470 are dedicated to supporting the health-related programs. Of that 470, 300 are registered nurses, so we are a large employer of registered nurses.

1250

Overall, as a company, in 2009, we handled about five million calls across all our lines of business; of that five million, Telehealth represented about 20%—900,000 or a million calls. We currently have about 40 corporate clients that we service. Some of those clients are in relation to smoking cessation counselling. There's the tele-health business for Ontario, New Brunswick, Northwest Territories and Department of National Defence. We provide roadside assistance on 52% of all cars sold in Canada today. So if you've ever broken down, you might have called us and we helped you out, depending on what kind of car you drive. We have lawyers on the phones; we service Legal Aid Ontario—that's who our contract is with there. So in that case, if you are stopped by an officer and you needed help, then the officer would call us and we can dispense our lawyers' assistance to you to give you some advice; and outsourcing. That's a little bit of background overall.

Years ago, the team established our mission, our foundation, and it's simply this: Helping people make health decisions. Everybody comes to work every day and that's what our mandate is. The job of those of us who are in the overhead departments is to support the nurses, to get the systems, the information and the support they need to provide this service 24 hours a day, seven days a week.

With respect to what would be our biggest challenges in terms of running the business, in terms of employee satisfaction results, which we measure every year—in Ontario, for example, last year, 90% of the nurses said that overall they were very happy with Sykes as a place to work; so that's good news. However, I'm sure everybody in this room is aware of the nursing shortage and the alternative jobs that are available for nurses. This is somewhat of a non-traditional form of nursing, taking into consideration that the demand on the business is primarily on evenings and weekends, when most of us would probably just as soon be at home with our families. That's the challenge in terms of retaining the nurse workforce, and one of the biggest challenges in

terms of the business: scheduling, recruitment, retention, for those reasons.

As an organization, we were presented with an award this year by the city of London and the London Economic Development Corp. for industry leadership, innovation, economic growth and sustainability in contribution to the community.

On a personal note, I've had the good fortune of being part of this 10-year evolution of Telehealth Ontario since 1999, when they cut the blue ribbon up there in North Bay. At that time, it was a pilot known as Direct Health. The pilot was positive, and then the program expanded into the GTA, and eventually expanded to the entire province. I've had 10 years' experience in what's been a great opportunity to service the Ontario public. In that regard, I would sincerely like to thank the Ministry of Health for entrusting Sykes with this wonderful opportunity to serve the Ontario public, and acknowledge the Ministry of Health for doing a fine job in managing this program. All I can say is, relative to all the other programs, this is the most complex program that we have. Mary and Sa  d have just done a great job managing that program.

We look forward to working with the ministry to see to it that your recommendations are put forth. Speaking of that, I would also like to take this opportunity to acknowledge the Auditor General, specifically Susan Klein. It was about a year ago at this time when we met and, quite frankly, I didn't think Susan knew much about the call centre business. I think that night I emailed a couple of articles about what every senior manager should know about call centre management, because we truly wanted to leverage this opportunity to do better. We wanted to co-operate with the auditor and, over the course of a year, they just did a great job in identifying issues. I just want to acknowledge a job well done. Thank you, Susan.

We've outlined our response to the concerns raised by the Auditor General in our response tables and, quite frankly, subject to the approval of the ministry—because I can't go off half-cocked doing something without the approval of the ministry—I don't foresee any roadblocks in trying to get some of these issues resolved.

I'd like to thank you very much for this discussion today, and I'm looking forward to talking about stuff that I'm so proud of doing for the past 10 years.

I'll turn it over to whoever needs to—

**The Chair (Mr. Norman W. Sterling):** Thank you very much, Ms. Sandals.

**Mrs. Liz Sandals:** Thank you very much for both of your presentations. I didn't actually realize that teleconnect was part of the services, and I just note that we've had quite a good response to teleconnect in my constituency office. That seems to be a service that has really been appreciated.

I wanted to focus on the telephone health advisory service side of things, the one where you're working with the primary care providers. These may be more questions for the deputy, I suspect.

One of the concerns that I've sort of identified in my constituency office is that people who are on the roster of family health teams or other sorts of primary care arrangements don't always seem to know about the opportunities that are attached to that family health team for getting service out of hours. For example, we often see people who might be able to go to the family health team walk-in on Saturday or Sunday going to emerg and not being aware that their own docs have a walk-in that they can go to instead. When I looked at the auditor's report, he talked about the low number of calls from people who are part of some sort of primary care service, the failure of the docs to always pick up the pages and, if they do pick up the page, to respond promptly. Those rang true with me because of the experience I see with this business of not using the out-of-hours walk-in that comes with it as effectively as they might.

I guess my question, Deputy, is what requirements do we currently have for family health teams and other primary care providers to provide to the people who are rostered to them information about out-of-hours services? What requirements are there now? And if we don't have requirements, should we, in fact, be stepping up the requirements for family health teams to actually be providing information about these other services? If people don't know about the service, they're not going to use it. In this case, because it's a doctor-specific or group-specific service, it would seem that it should really be the group that's advertising the service to the members of the group.

**Mr. Sa  d Rafi:** I'll break down your question. What are we doing on marketing the availability of this to patients within the primary care group? There are several types of primary care groups in the province. You mentioned one significant one, family health teams. Secondly, what are we doing with respect to the responses where there are weak responses or pages not responded to? What are we doing about that?

Starting with how we're getting the information out, a couple of things: One, the survey we're conducting will help to find out what people's cognition or knowledge of the THAS really is. I think the indicator already is that there aren't that many calls, so knowledge is low. That will give us a better ability to determine what the best marketing methodologies are. We do provide various types of information, whether it's wallet cards, brochures, posters, in primary care groups. Physicians' offices have information and brochures to give out to individuals. Knowledge of the program is an area that we need to work on; there's no question about that. We want to get better information before we go off and spend money on marketing materials that have very little impact or very little effect.

With respect to what we are doing about the variable responses, first off, there's a tripartite contractual arrangement: the ministry, the primary care group, physicians in the group—there could be three; there could be tens of them, depending on where they are—and the OMA, the Ontario Medical Association. We've con-

tacted the OMA, and we're working to see how we can use the OMA to better sensitize their members to understand that they should be telling their patients: "Look, this is a service available to you. Please use this service." It's perhaps the first line of response instead of pitching up at the emergency department.

1300

In addition to that, we're now getting monthly information on which care groups are not or have not returned pages. We found a very small number that actually didn't return a page at all. We can target that, and the auditor's work helped to unearth that information. Now we've got an arrangement where that information is going to come to us on a monthly basis, and you can start to have those conversations, as well as to determine what that primary care group of physicians is doing with respect to who's on call, who's chosen and what their responsibilities are. Again, I go back to that contractual responsibility. Then, we'll continue to work with the OMA. Maybe there are other penalties, and I think the auditor identified both penalty and incentive, because the majority of pages are responded to. Sykes' practices are to call on two bases within 30 minutes as opposed to just one. There are some good prompts available, and I think we're getting that information now, and we will definitely act upon it.

**Mrs. Liz Sandals:** What about actually actively making the family health teams or other primary care response people responsible for notifying—I mean, I happen to be rostered to a family health team. I think, when I was first being set up and signing the contract, that I probably got a letter from the person who was my family doc anyway and joining the FHT sort of saying, "Here's a bunch of services that are available." You could imagine that, with the amount of paper that I get, that particular piece of paper disappeared years ago. So it would be helpful to get an annual flyer that says, "Here's the current number; here are the current hours; here's the current place." Do we have any requirement that they actually do that regularly?

**Ms. Mary Fleming:** Not regularly, but their contractual obligation includes the obligation to let the patients know about the service, as well as their extended hours service that you referred to.

There already is a financial disincentive to not notifying patients about the extended hours, but I think one of the things that we'll be working on, as a result of the audit, is making sure that they're being enthusiastic about letting patients know about THAS, the telephone health advisory service.

**Mr. Sa d Rafi:** In addition, I would think that the survey will also help us to determine what the best mode of information is. As you say, with 14 things available to you in a letter, if that's one bullet point, it can easily get lost. We have other marketing opportunities that will be available to us. I think, more fundamentally, given the call volume, it's examining how many on-call physicians we need, and are there other methods? We'll be working with Sykes on determining what the best way of providing that service will be into the future.

**Mrs. Liz Sandals:** Okay. My colleague has a question, too, I believe.

**Mr. Yasir Naqvi:** Deputy, my question is about the 811 phone number and the status. A couple of years ago, I think it was, the 211 service was introduced on the social services side of the area throughout the province of Ontario. I've seen some data in the last couple of years that it has been extremely successful in terms of the intake and the calls that they've been receiving and the population in general using that service. In Ottawa, in particular, especially as it's a bilingual service, there has been some incredible intake. In fact, I think it's a multilingual service. Can you shed some light on the 811 status? We know British Columbia and Quebec have adopted this number, and they've moved forward with implementing it. What's the status in Ontario, and how far are we in getting that number running?

**Mr. Sa d Rafi:** I would say that it was not on our radar screen until the auditor identified it, for a couple of reasons, though. Telehealth Ontario has been in place for over 10 years. It has a 1-800 number. I think the sensitization and knowledge of that service is better, obviously, than the THAS service, which is much newer, I think—six years, just. So we have to take a hard look at the deployment of 811.

As you point out, there was an uptick in call volume, I think, in Quebec that the Auditor General identified. I'm not sure about BC offhand. That isn't reason not to pursue it. We are pursuing whether we can, and when we should, adopt the change.

We do want to get through this survey to determine whether use of an 811 number will actually be easier for individuals in Ontario and whether they'll feel that, "Okay, it's an easier thing to remember. I don't have to actually find where I put that"—you know, the fridge magnet ideas and all those other good things. We are really just in the throes of investigating that, and we want to rely on the survey results. It's a very deliberate set of questions.

Just to close off, I would point out that we're also trying to do a better job of improving the service when the people do find the Telehealth number, by cycling calls to non-nursing staff, if they're just information-related; by perhaps having demographic information collected by non-nursing staff—you know, just from a business-process redesign point of view, and we're working with our colleagues at the service provider on that.

**Mr. Yasir Naqvi:** Thank you, Deputy. Just one follow-up question: You talked about doing a survey to determine the feasibility of an 811 number. Do you have a timeline in terms of the process you're following?

**Ms. Mary Fleming:** The survey results should be available in the middle of April.

**Mr. Yasir Naqvi:** Okay. So this is more imminent than—

**Mr. Sa d Rafi:** Yes. It's distinct from the evaluation, which we'll do in the fall. The survey will be used, amongst other things, to determine people's willingness

or their propensity to prefer an 811 approach. Without prejudging that, I suspect we'll see some interesting and positive responses.

**Mr. Yasir Naqvi:** Thank you.

**The Chair (Mr. Norman W. Sterling):** Could I just ask, is there any technical problem with using 811?

**Mr. Sa d Rafi:** Not that I'm aware of.

**The Chair (Mr. Norman W. Sterling):** Okay. Mr. Ouellette.

**Mr. Jerry J. Ouellette:** Thank you very much for your presentation. Quite frankly, Mr. Woods, I was surprised that you would come with a presentation in the fashion that you have. Was it designed to agitate certain members of the committee to the point where I don't know if it can be repaired? How can you mention that the vice-president of technology and workforce is such an ardent Habs fan when our Chair is a Sens supporter to no end?

*Interjection.*

**Mr. Jerry J. Ouellette:** Good point.

There are a number of questions that I have—

**The Chair (Mr. Norman W. Sterling):** I'd just interject that in the area I represent, there is one pub that had, out in front of their place, "Free beer for all Leafs playoff games."

**Mr. Jerry J. Ouellette:** You started that, Mr. Woods, right down that path, didn't you? See what I mean? We'll never hear the end of it.

There are a number of questions I have. I don't know if anybody has seen, or if the members of the committee have seen, the Sony presentation at their recent AGM—last year, I believe it was—whereby the technology is changing so fast that the Internet is the way to go, essentially. The number of hits on Google, YouTube, or Facebook etc. is dramatically changing what's happening in society.

I'm wondering if using a phone service as opposed to incorporating an Internet system—whether it would be the deputy who would answer—would be a way to advance it so that our current usage of this form of providing a service for the people in Ontario would be more advantageous, as opposed to a phone. Something on the Internet may attract those individuals who are not being attracted. Have you looked at that, and any thoughts about that?

**Mr. Bruce Woods:** Just a comment on that, in the sense of, say, the 10-year horizon I've been there: There is a general transition in this industry from what has been traditionally been known as a call centre, which implies voice, to a contact centre. A contact centre introduces a number of these multimedia devices—Web chat, email, self-service, those sorts of things.

In the auditor's observations, I noticed that there was some reference to the fact that the youngsters don't tend to use the service. However, I think everybody in this room who's got kids—and looking at everybody in this room on their BlackBerrys—texting and all that kind of stuff is appealing to kids. So I would acknowledge your point, in the sense of familiarization and utilization.

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However, having said all that, as I will defer to the minister every time on this sort of thing when it comes to the protocols and the guidelines and the safety, our experience has been—for example, with smoking cessation: Running a smoking cessation program like a call centre is not a good thing because there's no trust. If every time you're calling in and you're talking to Bruce one time and then Sa d the next time and Gena the next time, there's no foundation of trust in that relationship. So we have to do it through a callback process. If you're going to get somebody to change their behaviour, it's critical that they trust you. I'm sure you'd be the same, right? If you're talking to somebody and you're trying to change their behaviour, you need to develop levels of trust. So for certain things, sure, that may be very helpful—the young people are into Facebook and all that kind of stuff—but when it comes to the guidelines and the protocols and patient safety, that's another thing.

**Mr. Jerry J. Ouellette:** We're seeing a lot of information as it pertains to target groups that have underutilized the service, or what I would perceive as underutilizing your service. When I look at what's happening in other jurisdictions and see those numbers, I'm wondering if there is some way that we may be able to reach out to them. With a changing society—and that's why I refer to the Sony presentation—the growth in those areas, as compared to telephone and television as a form of media communication, far outweighs, a hundredfold, what's taking place, and we may need to look to the future to be able to maximize the benefit from that.

**Mr. Bruce Woods:** Just to finish off our example on that note, the same people, Schmitt-Thompson, are the doctors behind the guidelines within the decision support software. The ministry goes to great lengths to make sure that the decision support software we utilize is effective and appropriate and dispensing appropriate health information. I'm only raising that because the nurses rely on that to a large degree. However, those same guys—if you go to symptommd.com, you can self-triage yourself. I'm not suggesting that's what we want to be doing; I'm just saying I agree with your observation and if we want to kind of front-end some stuff, you might want to entertain that.

**Mr. Sa d Rafi:** I would tend to agree. I think we're interested in a multi-channel approach.

The ministry is trying to use—Ms. Sandals's reference to teleconnect, Health Care Connect, to try to attach individuals to physicians. We've just launched a fairly robust website in that regard. We also use our website for information, and we'll put that into the phone channel as well.

I think the piece that Mr. Woods was alluding to, as well, is there's a really important feature of the judgment of the registered nurse that we think really benefits the call-in feature.

So it's not to suggest we're not looking at other channels; we most certainly are. I take your point.

**Mr. Jerry J. Ouellette:** To follow up on that, the communication I see to the doctors, when they follow through the process, is via pager. As was brought up earlier on about the use of BlackBerrys and more direct communication and the delay in times and responses with the paging system, has that been reviewed, in trying to improve that system so we can get direct connect with the doctors and the service?

**Ms. Mary Fleming:** Repeated attempts to convince the Information And Privacy Commissioner on the use of BlackBerrys for sensitive patient information have been rejected, but we continue to touch base with them about ways that communication can be improved to permit that, and then also to improve response times.

**Mr. Sa  d Rafi:** I think you're also identifying the actual contact to alert the physician as well, not necessarily the provision of sensitive health information, and I think it's something we should think about and how that works. Of course, RIM is a great Ontario company. We'd have to also determine amongst all the physicians, if everybody is using the same technology, whether they have a push or a pull in terms of the email approach or texting and so on. So 6,700 physicians—it will take some time to think about that, but I think it's an interesting suggestion for sure.

**Mr. Jerry J. Ouellette:** On a bit of a different line of questioning, Deputy: When you look at the out-of-province costs for health care, does this allow for individuals—for example, if this committee happened to be in Quebec, say, in August and somebody had a health care question, would there be the opportunity to call out of province to this service, as opposed to possibly diverting some of the out-of-province costs? Is that available at this particular time?

**Mr. Sa  d Rafi:** I'm not sure I understood the question. Are you saying that—

**Mr. Jerry J. Ouellette:** We have a lot of snowbirds head to Florida, they get sick, they see a doctor down there, they submit their bills here, they get a percentage paid back. Is there the opportunity to check in with Telehealth to make sure that it may be a necessary aspect of health care?

**Ms. Mary Fleming:** The service isn't available from outside the province, and I don't know if you'd like Denis to expand on that—

**Mr. Bruce Woods:** Denis can explain to you the challenges in terms of managing calls coming in from out of the province.

**Mr. Jerry J. Ouellette:** A Habs fan.

**Mr. Denis Thibodeau:** First of all, let me apologize for being a Habs fan, I guess.

**Mr. Yasir Naqvi:** Now it's in Hansard forever.

**Mr. Denis Thibodeau:** Can I change my answer, then?

The toll-free numbers that exist for Telehealth Ontario and THAS are only accessible from an Ontario number, the way the routing exists. So if you are a snowbird and you are out of province or out of country and you're calling with an Ontario number, you will get access.

Currently, that's the only way to get into the service. So expanding it—again, that's something we'd have to work on with the ministry to entertain how we would go about, as soon as we open the channel, allowing callers from outside the covered area.

**Mr. Jerry J. Ouellette:** Just a follow-up question, then—I know Mr. Shurman has a follow-up question on this as well. Go ahead.

**Mr. Peter Shurman:** From a technological perspective, this whole thing that my colleague is asking about is doable. For example, if you decided to go, as in some other jurisdictions, with an 811 dial-up that would be accessible only inside Ontario and, say, with the reissuance of OHIP cards, a 1-800 number that would be listed on the back of the card saying, "If out of province, dial this number," that would take care of the whole thing. So it's just a matter of reworking this.

It seems to me, in reading the briefing material that we've been given, that there are a lot of things that could be done by the ministry and by the call centre alike that would enhance this service, simply by taking advantage of some of the technological changes that have become available.

**Mr. Sa  d Rafi:** Yes. I would just add, if I might, that, as you know, we are, based on the Auditor General's recommendations, looking at the need to identify a health number when calling in. So if that's an Information and Privacy Commissioner agreement, then—actually, it may not even need a technology fix on the back of the card. But your examples are good ones and they will go into the mix of things that we'll be talking to Dr. Cavoukian about to perhaps deploy the health number as a way of addressing the points you raise.

**Mr. Peter Shurman:** What about the 811 idea? This opens up, not just technologically, but generally, a whole area of interest for this entire committee, and that is, there is no secret to anybody who lives in Ontario or anywhere else in Canada that health costs are just going up and up and up and there seems to be no end in sight. That being the case, it strikes me that this service could be of incredible potential if it were widely publicized and if there were a trust built between the population of potential users and the ministry. But that doesn't seem to be happening, if we compare this to other jurisdictions where percentage use is higher, where hang-ups are lower and, frankly, where costs are lower as well. I don't know what the statistics might be, Deputy Minister, but maybe we're talking about hundreds of millions of dollars in saved emergency room visits, something like that, that you could quantify.

**The Chair (Mr. Norman W. Sterling):** I'm just going to interrupt here. Unfortunately, Mr. Shurman, because you were in another committee, you weren't here, and Mr. Naqvi raised that and there is an answer in Hansard that you can read. The idea of saving money, though, was not raised at that point in time and maybe you want to comment on that specific part of Mr. Shurman's question, as to whether or not there are identifiable savings if this service is used on a wider basis.

**Mr. Sa d Rafi:** I won't speculate on the potential for savings because it would be just purely that—a speculation. But there is no doubt that one of the purposes behind having Telehealth or the THAS service is to determine whether an individual calling should actually present at an emergency department versus other, very reliable and effective methods of dealing with their health care issue at the time.

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So we are pursuing 811, and we do feel that the experience that Telehealth has provided us over the last 10 years or so has represented significant cost avoidance in the range of approximately \$130 million over that period of time. It's a very conservative estimate. We need to continue to enhance the service in order to make sure that we can be quite accurate in identifying those savings. It will, of course, depend on the increased take-up as to how much more savings we can undertake and, also, our ability to really determine whether someone has effectively adhered to the advice they've been given. But we're exploring the 811 recommendation that was made, and we're in the throes of doing so right now, as the Chair points out.

**Mr. Peter Shurman:** At the risk of, again, going over ground that maybe you've covered in the last half hour, what are you thinking—by that I mean, what are you thinking in the ministry—about the underutilization of the service, generally? Because it is underutilized compared to other jurisdictions.

**Mr. Sa d Rafi:** Underutilized in certain segments is what I thought the finding identified for us. That's why we're in the field now with a survey to determine what would increase the use of Telehealth Ontario and the THAS service. That will help to respond to some of those interests of other Ontarians. Perhaps one of the conclusions will be that a more easily recognizable number—811—is the answer, and certainly we will respond to that survey information because that will be a better indicator of what marketing tools and what changes should be undertaken.

**Mr. Jerry J. Ouellette:** Just to follow up then on the—go ahead, Mr. Woods.

**Mr. Bruce Woods:** I was just going to address a couple of your points there with the 811 and the comment about out of province. The auditor has suggested the OHIP numbers—at the risk of bringing in the concept of roadside assistance, when somebody calls us for roadside assistance, we simply ask them for their VIN and then we deliver the service. In both those cases, if we were able to, subject to privacy, get people to give us their OHIP numbers then, first of all, it doesn't really matter where they are. Okay? You've got an OHIP number, you're authorized. Secondly, the challenge that we have—between the pair of us, if somebody calls in and we direct them not to go to emergency, but then they do go to emergency, we don't know that. If we could merge the files from the ministry and ourselves, then we could determine to what degree the patient was compliant with the recommendations. I think you could see the

savings much easier than we are today. I'm just making a comment that, again, subject to the privacy thing, I think the use of some sort of identifier would be helpful to address some of the suggestions you make.

**Mr. Jerry J. Ouellette:** I just have one follow-up question regarding the out-of-province aspect. If somebody has a cellphone that they utilize out of province, and that has a provincial number, would it be applicable, then, for Telehealth—essentially, those individuals who are on vacation and who would be able to use their cellphone in order to access that service.

**Mr. Bruce Woods:** I think you brought that up, didn't you, Susan, in your report? I mean, there was a concern that maybe we were servicing people we shouldn't have been servicing. Was that the issue? Or was it just that people—

**Mr. Jim McCarter:** If you have a cellphone with a 416 area code, would you be able to get in from out of province? I think you would.

**The Chair (Mr. Norman W. Sterling):** The only trouble is you're paying roaming fees of maybe two bucks, and if you wait for 30 minutes that's—

**Mr. Jim McCarter:** Use the callback option, Mr. Chairman.

**Mr. Jerry J. Ouellette:** I have some further questions about the prioritizing of calls and the ability to prioritize. Is there some method where there's an assessment made at the start to prioritize a call, or what could be perceived as a priority? And there may be many factors that come into play. For example, in my colleague from Nickel Belt's riding, if somebody in Foleyet, which is a considerable distance away from a hospital—it would be an hour and a half to a local hospital—made a call, is there some priority that's allocated to it by jurisdiction or by response, as things unfold?

**Ms. Gena Horseman:** The priority call would be classified by priority symptom.

**Mr. Jerry J. Ouellette:** Simply symptom?

**Ms. Gena Horseman:** Yes.

**Mr. Jerry J. Ouellette:** Okay. That's initially done by the first person who receives the call?

**Mr. Bruce Woods:** Can you walk them through, just so everybody knows, when you call in? Explain to them what the PAR does.

**Ms. Gena Horseman:** Well, if all nurses are currently on the phone taking calls, then the PAR, or patient assistant representative, would get that call. At that point in time, the PAR would ask the reason for the call. There is a guideline that they would follow as far as priority symptoms listed, and if they present with any one of those symptoms, then they would deem that call a priority call.

**Mr. Jerry J. Ouellette:** That follows up on another question. You've listed, Mr. Woods, the number of nurses: 300 of them are registered nurses. How many would be on call at any one particular time?

**Mr. Bruce Woods:** On, say, like a Wednesday evening between 8 o'clock and 9 o'clock?

**Mr. Jerry J. Ouellette:** Sure.

**Mr. Bruce Woods:** Denis, can you give me a rough idea?

**Mr. Denis Thibodeau:** I'd go in the neighbourhood of approximately 50, but I'd have to go and confirm that number. I don't remember off the top of my head.

**Mr. Jerry J. Ouellette:** So there'd only be 50 on out of the 300?

**Mr. Denis Thibodeau:** Fifty or more.

**Mr. Jerry J. Ouellette:** More.

**Ms. Gena Horseman:** In a busy season, we could have up to 75 or 80 nurses on at any given point.

**Mr. Jerry J. Ouellette:** Okay. That leads to another question. I recall that there was a non-government study done in the Hamilton area that indicated that 60% of all emergency room cases were non-emergencies, however, cases of convenience. Are you doing tracking of times of day when the majority of calls come in, and staffing is related to the peak periods?

**Mr. Bruce Woods:** Absolutely.

**Mr. Jerry J. Ouellette:** You mentioned the one regarding flu. But also, Sunday evening is a very convenient time for a lot of aspects like that that people would utilize; for example, emergency room services. Are you finding the same sort of aspect in the service provider?

**Mr. Bruce Woods:** I want to make sure I understand your comment. As a call centre, we are very thorough in terms of measuring the volume of calls at every half hour and hourly interval. The majority of the calls come in during the evenings and the weekends. That's when most of a lot of these other alternatives people have to go to aren't there, so that's why we're getting that big demand.

**Mr. Jerry J. Ouellette:** And your staffing would reflect that, then?

**Mr. Bruce Woods:** Right. When you're running a call centre—I just want to kind of give you an analogy. The idea is that we want to have the right number of people in the seats at the right time to meet service levels. It's a queue; now, it's an invisible queue. But when I'm training people on the fundamentals of incoming call centre management, if I can just diverge for a minute, my best analogy is if you picture a bank branch. You're the manager of that branch, you're looking out at the branch, and there are two extremes that you don't want to have happen. One extreme is that a bunch of tellers are standing there, and there are no customers; then your productivity is very poor. The other nightmare is you've got a whole bunch of customers standing there and two tellers. Those are the two extremes. When you're running a call centre, you want to try to have just the right number of people in the seats at the right time.

Service level is inversely proportional to productivity. In fact, 10 years ago, when the minister was looking at this, there was talk of having—I have to be careful. I can't remember exactly, but I remember the ministry asked me of my opinion on their service level. They were trying to have a 90% service level, in 20 seconds, answered by a nurse. I said, "It's going to cost you a fortune," because when you have a really high service

level, by default, some of the staff are going to be sitting there just waiting for the call to come in. On the other hand, if you have a really low service level, you're going to have burnout, and you don't want that either. So there is a trade-off, when it comes to service levels, between productivity, cost and money.

**Mr. Jerry J. Ouellette:** Are there options for contractual arrangements that would be on a fee-for-call service by, in this particular case, nurses? For example, in my riding of Oshawa, when the nurses who work full time, say, at Lakeridge Health would finish their shift, they would come in, check in, and say, "Okay, I'm available for the next two hours; plug me into your system." For any calls that are directed to that individual, they would receive remuneration for the call? Or is that something that can be looked at through contractual agreements?

**Mr. Bruce Woods:** Well, I guess I'll say that anything is possible, but if I was to try—

**Mr. Jerry J. Ouellette:** You haven't thought of it, though? It's not something that's considered?

**Mr. Bruce Woods:** As I've mentioned, we want to be very, very competitive when it comes to looking after the nurses. I think I asked somebody the other day: When I look at the loaded cost for a nurse, it's about \$75,000. To be competitive—so if I was to say to them, "Well, listen, would you mind popping in here on Sunday morning and taking a few calls, and I'll pay you by the call?" I'm not sure I would get much reaction to that, if that's what you're saying.

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**Mr. Jerry J. Ouellette:** Okay. How much time do we have remaining?

**The Chair (Mr. Norman W. Sterling):** I think you're over your time right now.

**Mr. Jerry J. Ouellette:** Okay. Thank you very much.

**The Chair (Mr. Norman W. Sterling):** Ms. Gélinas.

**M<sup>me</sup> France Gélinas:** I want to apologize for being late. Both Mr. Shurman and I were at another meeting. I snuck out earlier than he did.

I missed your presentation, but I tried to read it quickly. I was impressed with the 90% of nurses indicating that they were very satisfied with Sykes as a place of work. Are you at liberty to share with us what your turnover rate of employees is in the nursing profession?

**Mr. Bruce Woods:** Sure. I don't know it off the top of my head. Do you know? About 50%?

**Ms. Gena Horseman:** It's 48% over a rolling 12 months.

**M<sup>me</sup> France Gélinas:** So 48% per year.

**Mr. Bruce Woods:** The context of my opening comments was that despite the fact that they're pretty satisfied, because of the pattern of the demand for the business—a lot of these nurses, I would hazard to guess, are 40 or 45?

**Ms. Gena Horseman:** Forty-five is the average.

**Mr. Bruce Woods:** So they would like to be home with their families on evenings and weekends, and it's up to us to provide an incentive for them to come in to work.

One of the things we do to provide an incentive for the weekends is what we call a compressed work week, wherein we would say to you, "If you agree to work three 10-hour shifts," so if you would agree to work Friday, Saturday and Sunday or Saturday, Sunday and Monday—so you work 30 hours—"we'll pay you for 40," because that's what it takes to provide a sufficient incentive for you to come in. That's what we call a compressed work week.

**M<sup>me</sup> France Gélinas:** You've talked a couple of times, Mr. Deputy, about the new survey that you are doing to try to get more information to address some of the content of the report of the auditor. You mentioned that it should be ready in mid-April. That's Friday—Thursday, actually, will be mid-April. Are you confident that it will be ready Thursday?

**Mr. Saäd Rafi:** I don't know. I'll have to get you that answer. It's a survey that covers a wide array of areas. I have not checked with the provider as to what the status is, but the compilation may be on schedule. I'm afraid I don't know.

**M<sup>me</sup> France Gélinas:** You will let us know? Okay.

I know that my colleague already asked about 811. You said that you're taking a comprehensive look at it. What is the structure of this decision-making process? Is there a timeline for it? Who would it be reported to? Where is it at?

**Mr. Saäd Rafi:** Mary can perhaps answer the details of where it's at, but it's a combination of examining the results of the survey to see that there's a case to be made—we'll have to examine the costs associated with implementing it and do a cost-benefit analysis to create a business case. We would then, I'm sure, have to go forward for government approval for the minister and the government's decision-making process, as it's not contemplated in our 2010-11 budget. That would have an impact there as well.

In terms of where the investigation of the viability is at, can you answer that, please?

**Ms. Mary Fleming:** I would just expand on that to say we're working with the service provider to see which of the cost-effectiveness measures can be introduced at the same time, anticipating that the 811 would result in more calls and then greater expense. So we're seeing if there are corresponding savings that can be realized: the use of the patient assistance representatives more, perhaps use of the registered practical nurses and any other measures that can be found to offset the increased costs associated with greater take-up of the service.

**M<sup>me</sup> France Gélinas:** When the government paid for the service, they paid for the service of registered nurses. Am I to understand that if the service provider goes for RPNs, then automatically, savings will be passed on to the government?

**Ms. Mary Fleming:** Either savings will be passed on or there will be more calls, and then there will be greater costs, if the 811 results in some groups using the service who haven't previously used it.

The other thing that the public opinion survey is trying to find out is what it would take to get groups such as seniors to use it more. The service is primarily used by women in child-bearing years, and they're more often than not phoning for their children.

**M<sup>me</sup> France Gélinas:** The idea of bringing in an RPN: Is this something that exists in other telehealth or THAS kinds of—

**Ms. Mary Fleming:** No, we're not aware of that, so Ontario might be breaking new ground in that respect. But the use of patient assistance representatives, who are neither RNs or RPNs, is very widespread, not just in Canada but in other jurisdictions such as the National Health Service in Britain.

**M<sup>me</sup> France Gélinas:** I'll call it the pre-recorded health information that you can send a patient—she wants to know about menopause, she wants to know about different health topics: Who has generated that information?

**Ms. Gena Horseman:** The authors who have our guidelines and information. Some are internal.

**M<sup>me</sup> France Gélinas:** Okay.

**Ms. Mary Fleming:** I'd just add to that, Gena, if you don't mind, that we have a medical advisory committee with various medical professionals outstanding in their fields, both in medicine and medical ethics, and it reviews the protocols to make sure they're appropriate for Ontario and for what we want to see in terms of service delivery here.

**M<sup>me</sup> France Gélinas:** Those are the protocols for the actual calls. I'm talking more people who—

**Ms. Gena Horseman:** And the information.

**M<sup>me</sup> France Gélinas:** And the information, as well? Okay, very good. Thank you.

I know we've talked a bit about physicians in approved primary care models such as FHTs, CHCs etc. for which the clients have access to THAS. The auditor showed us that the responses to the pages are less than what one would expect. You've answered, I think, Mr. Deputy, that you have a tripartite arrangement, including the OMA, to look at this. The same thing: Can you talk to us about the structure of those talks? When are they scheduled to happen? When can we expect decision-making or changes? Do you have to wait for the next round of OMA agreements or is this something you can work on in-house?

**Mr. Saäd Rafi:** It's something we are working on in-house. We have, I think, a very good relationship with the OMA and they've been open to those discussions. There has not been, to my knowledge, any indication that this has to be a formal part of an ongoing contractual discussion at all. It's not just limited to that interaction, as well.

Again, we want to determine how people prefer to receive information and then we can channel our efforts in that regard. We can send out information to primary care group physicians to remind them of their obligations with the OMA, which has regular interactions with their membership. So there is a multitude of things we can do,

but, again, we want to look at this in a holistic way, just as the other areas you were talking about in terms of cost savings, not just one area of cost reduction but rather holistically balanced on increased demand and other areas whereby perhaps we don't need registered nurses. I think Ontario is quite prepared to break new ground but in a very responsible and careful manner.

As to the pace of that decision, or those decisions, I'd say we are certainly months away from having something actually buttoned down in terms of marketing, advertising, any change in contractual arrangements, if necessary, and certainly discussions with the OMA on how to get their help.

**M<sup>me</sup> France Gélinas:** If we come specifically to the issue of physicians being paged twice and not responding to the past calls for 30 minutes, what are some of the solutions that are being discussed and put forward, and how open is OMA in those discussions?

**Mr. Saïd Rafi:** I'll try and answer the first part and ask Mary to help me on the second. What the Auditor General's findings helped us do was narrow the issue. This is not an issue that exists amongst all primary care groups of physicians, and there are over 600 of those, representing some 6,700 physicians. So we now have a better understanding that there are actually five primary care groups where they have just not returned pages, so that way we can focus our efforts and have conversations directly with those primary care group physicians.

We'll start with that and the other measures I mentioned in the previous response, and then maybe you can pick up the second part of the question.

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**Ms. Mary Fleming:** I think the other issue to be looked at is whether the numbers of physicians on call to the service is inappropriate in terms of how large that number is. Some of the times, as the deputy just mentioned, where pages were not being returned, these people hadn't been paged at all before, so I think they started to fall down on the job because they weren't being paged. So we might be better concentrating the effort of responding to pages on fewer physicians who would know that they were going to be called and to be ready and able to assist the nurse in the disposition of that call.

Both the incentives or the penalties that should fall into place if pages aren't answered will be examined with the OMA, as well as a strategy to see if we've gotten it right in terms of how many doctors should be on call. If in fact there were too many doctors on call and it could be decreased, there would be some corresponding savings also.

**Mr. Saïd Rafi:** I'd just hasten to add, if I might, that the fundamental belief we have that is proven by response is that physicians are responsive to their patients, and want to be. Since we can narrow the fact that there's a handful of groups—one handful of groups—that have not responded in more than one circumstance to pages, there must be something else at play, and Mary's alluded to some of those things. So we want to make sure we

understand the problem before we make a knee-jerk response.

**M<sup>me</sup> France Gélinas:** So we know that five primary health care groups have not responded out of the 600 health care groups that exist. How many have actually been contacted? The auditor shows that only 1% of the 67% of Ontarians that are covered by THAS have actually called you. Out of those, not all of them would have needed a backup page to a physician. So we know that five did not return; do we know how many have been contacted out of those 600 health care groups?

**Mr. Saïd Rafi:** You're asking about geographic dispersion, I think.

**M<sup>me</sup> France Gélinas:** No, I'm asking about numbers. How many of the 600 primary health care group clients have actually been paged?

**Mr. Saïd Rafi:** Just to give you an indication, there are 20,000 pages approximately in a year, 54 per day, that are sent out across the province. Of those 54, a typical 54 day, are they clustered in eastern Ontario, central? I don't know if you know—

**Mr. Bruce Woods:** I'm assuming we can get the day. If the question is, which of the different numbers got paged and how many of them are—did we just page a few or did we page everybody? Is that what you're trying to find out? The dispersion?

**M<sup>me</sup> France Gélinas:** That's what I'm kind of getting at. We know that five are not returning calls.

**Mr. Saïd Rafi:** Not consistently, though.

**M<sup>me</sup> France Gélinas:** Not consistently.

**Mr. Saïd Rafi:** They are returning them consistently. There were occasions where they did not return a page. I think that's an important distinction.

**M<sup>me</sup> France Gélinas:** Enough occasions to make it into the auditor's report. We've all agreed that, according to the auditor, some of the physicians did not answer their page. You've told us that we're dealing with basically five primary health care groups that didn't do this. What I want to know is, out of the 600, how many did? Are the patients calling in out of a group of 50 primary health care groups that use THAS—

**Mr. Saïd Rafi:** Okay, I'm sorry: 91% of those paged responded, because the auditor found 9% that didn't.

**M<sup>me</sup> France Gélinas:** Yes, but the question is, out of the 600 primary health care groups—

**Mr. Saïd Rafi:** We don't have that at our fingertips.

**M<sup>me</sup> France Gélinas:** Is this something we can get?

**Mr. Bruce Woods:** Well, it's just a matter of the dialled number, right? We would have a record of the number that we paged.

**Mr. Denis Thibodeau:** But if I understand you, you're trying to say what group do they belong to? So how many of the total population—

**Mr. Bruce Woods:** How many of those 600 groups did we reach out to and either get co-operation or no co-operation?

**M<sup>me</sup> France Gélinas:** Yes. Because many groups will have more than one phone number, more than one pager. On the first week of the month, you page pager whatever,

and on the second week—or whatever their call group is like. So the phone numbers alone wouldn't give me that much—

**Mr. Bruce Woods:** I think we'd just have to do a sort on the phone bill, identify the different numbers and if there's—basically what you're asking is, what does the distribution look like? Are they getting contacted or not?

**M<sup>me</sup> France Gélinas:** Yes.

**Mr. Bruce Woods:** I think that's the question.

**Mr. Saäd Rafi:** I don't want to continue to frustrate you, so I'm going to make sure I get the question right. Is the question, how many of the 670-plus physician groups get a page or have been paged to respond to a call—

**M<sup>me</sup> France Gélinas:** That's right.

**Mr. Saäd Rafi:** —in any given period, and we could choose the period, perhaps?

**M<sup>me</sup> France Gélinas:** Sure. Use the same period that the auditor has used to come up with the 9% that didn't return.

**Interjection:** Let's make a note of that.

**M<sup>me</sup> France Gélinas:** That would be useful.

**The Chair (Mr. Norman W. Sterling):** Can I just ask a supplementary question now? With that data, Deputy, you have indicated you're discussing this with the OMA etc. My question, and the question of the committee, is, when will you come to a conclusion and remedy this problem so that everyone who thinks there is a page going out will be answered in some way?

**Mr. Saäd Rafi:** I don't think this is going to happen at a point in time, I guess, is what I'm trying to say.

**The Chair (Mr. Norman W. Sterling):** Well, we want it to happen at a point in time because it's a problem.

**Mr. Saäd Rafi:** But what I'm trying to get across is that maybe much of this can go away quite quickly with just identifying the few that might be seen as having the more serious difficulties in responding, to alert them to the issue, and that could be done in a couple or three weeks maybe. But the overall problem in terms of whether it shifts from one place to the next and the dispersion of that problem is something we need to investigate.

We need some sufficient period of time to diagnose what the challenge is here, not just in the demand but in the response. I'm sorry, but I don't know what other way to answer the question to say that it will be X number of days from today. I can't control the behaviour of an individual physician.

**The Chair (Mr. Norman W. Sterling):** But part of our function here, what we try to do, is to assist the deputy minister, the director or the assistant deputy minister in stating to associations like the Ontario Medical Association that there's an urgency to fix this problem. We're quite willing to say in this committee—and we have done in the past—we want this problem fixed. That's the issue here. Maybe Ms. Gélinas wants to know the dispersion and all this kind of thing. I just want it fixed. If it's fixed, then it doesn't really matter where the dispersion is.

**Mr. Saäd Rafi:** Understood.

**The Chair (Mr. Norman W. Sterling):** So what I'm trying to say to you is, we will say to the OMA, "Get down, negotiate, tell your people, but let's get it done."

**Mr. Jim McCarter:** Let me just jump in too on the numbers. I think we have the data that you're looking for, Ms. Gélinas. So if Mr. Thibodeau could contact Susan, we can probably work together on that and get you the data.

**M<sup>me</sup> France Gélinas:** Thank you.

**Mr. Saäd Rafi:** To respond to the supplementary then, Chair, we will expedite those discussions and reinforce after this committee meeting the position of the committee and the Chair in that regard.

**The Chair (Mr. Norman W. Sterling):** Thank you. Ms. Gélinas.

**M<sup>me</sup> France Gélinas:** You said that the ministry will initiate vulnerability and penetration testing for the service provider. Do we know if this has taken place or when it will take place? This has to do with security.

**Mr. Bruce Woods:** Have we done the threat risk assessment, Denis? And when was it done?

**Interjection:**

**M<sup>me</sup> France Gélinas:** You did one in 2008.

**Mr. Bruce Woods:** Yes, we've done one and now there's another one to be scheduled, but I'm not sure when we're going to do that.

**Ms. Mary Fleming:** This year—the second will be scheduled and done.

**M<sup>me</sup> France Gélinas:** Okay. It says that the most recent threat risk assessment for teletriage services was completed in 2008, and the ministry's planning to initiate vulnerability and penetration testing for the service provider. It seems like we're talking about something a bit different from the threat risk assessment that you had done initially. Or is this exactly the same thing that you will redo now in 2010?

**Ms. Mary Fleming:** It's part and parcel of it. So that aspect will be repeated in 2010.

**Mr. Bruce Woods:** It's like a subset.

**M<sup>me</sup> France Gélinas:** Okay.

**Mr. Bruce Woods:** You've got the threat risk assessment, and penetration testing is one component of multiple steps in that. And just to make sure that our systems are tight, it's probably appropriate that they do it again.

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**M<sup>me</sup> France Gélinas:** Okay. You've mentioned that the ministry will "work with the service provider to research and review ways to determine the impact of the advice provided to callers." Is this being touched upon with the survey that is going on right now?

**Ms. Mary Fleming:** No; I think that will be demonstrated more in the formal evaluation that will be undertaken. We will be starting a procurement process in the fall of this year to do that evaluation.

**M<sup>me</sup> France Gélinas:** So if you go out to procure this this fall, do you have a time frame in mind as to when it could be done?

**Ms. Mary Fleming:** I think we'll try to have it done probably by the end of April. Some aspects of it may stretch out longer, depending on what they're trying to evaluate.

**Mr. Saïd Rafi:** When she's saying April, it's end of fiscal 2010-11.

**M<sup>me</sup> France Gélinas:** Okay. So it will be done within fiscal 2010-11?

**Mr. Saïd Rafi:** Well, hopefully, but I think we'll have to seek the advice of the evaluators as to what they feel is a necessary time frame. But we'd rather it not drag on and on.

**M<sup>me</sup> France Gélinas:** Have we done a review to determine the impact of the advice before?

**Ms. Mary Fleming:** In 2005, there was a longitudinal evaluation of the program done. Earlier, the deputy was telling you about both some of the cost-avoidance as well as the cost savings that we learned about through that evaluation. We also learned, during that evaluation, ways in which the standards might be improved as well as learned a great deal. This was confirmed by the Auditor General's own survey about the satisfaction with the service.

**M<sup>me</sup> France Gélinas:** I know that I missed some of the talks, but has a decision been made whether some of the calls will be allowed to be taped under the right conditions?

**Ms. Mary Fleming:** We haven't made that decision, but I think we're close to doing so. We had earlier been given advice that it was inadvisable to tape calls. We've now learned that as long as callers are told that they can opt out of the taping, it would be a good thing, both in terms of patient safety and quality management. So I suspect that we will move that way quickly.

**Mr. Saïd Rafi:** Just in addition, it might seem pedantic, but the retention of those tapes is something we need to consider. The interjurisdictional information is all over the map in terms of how long they retain. We'll have to work with the Information and Privacy Commissioner to make sure that she and her staff are comfortable with that.

**M<sup>me</sup> France Gélinas:** There was a discrepancy about the number of calls the service provider had referred to the Ontario Pharmacists' Association for medication information. I know that the number was incorrect. It was then corrected, and you assured us that the payments made to Ontario pharmacists were never an issue. What has brought about this discrepancy?

**Ms. Mary Fleming:** The manner in which the record-keeping of the transfer of calls to the Ontario Pharmacists' Association was taking place had to be corrected.

**M<sup>me</sup> France Gélinas:** What were they doing wrong?

**Ms. Mary Fleming:** They weren't recording them all.

**M<sup>me</sup> France Gélinas:** They were not recording them all?

**Ms. Mary Fleming:** The way they were recording them, they weren't being tabulated correctly. But they were being transferred.

**M<sup>me</sup> France Gélinas:** Okay. They were being transferred. So the pharmacists' association came up with a higher number than the service provider had?

**Ms. Mary Fleming:** That's right.

**The Chair (Mr. Norman W. Sterling):** Can I break in, and we'll come around again? Is that okay? Is this a good, natural time?

**M<sup>me</sup> France Gélinas:** One more, and then I would go into the next document.

**The Chair (Mr. Norman W. Sterling):** Okay, fine.

**M<sup>me</sup> France Gélinas:** My last one basically had to do with the pay. Maybe it wasn't—I'll save it for the next turn. Never mind: It's going to be a long one.

**The Chair (Mr. Norman W. Sterling):** Mr. Ramsay.

**Mr. David Ramsay:** I'll remind the Chair it's anti-bullying day today. I'll move on now.

Welcome, everybody.

**The Chair (Mr. Norman W. Sterling):** Your time's up.

**Mr. David Ramsay:** Point made.

Deputy, I'll address this to you, but I know you weren't at health at this time, so please be free to direct it to the appropriate person. I'm very interested about how the service handled the pandemic we had in the fall. Obviously, this was something extraordinary, and you had to gear up knowing this was coming. This was particularly true because none of us really understood this. There were conflicting stories, so I imagine your service was being used to try to find out, with all the questions we had. Guys in my demographic were very lucky because we were told we were immune, but we all have children and grandchildren and that, so even people like me might have been calling to find out what advice we should be giving our families and this sort of thing.

I'd be wondering how you maybe anticipated, knowing this was coming; how you adapted during it; and then, from your experience—because we think this may not be the only one in our lifetimes—what are you thinking about when something like this comes again.

**Mr. Saïd Rafi:** Thank you. I will just maybe make some introductory remarks, and I think Mary and Mr. Woods would have a far better ability to answer.

Just to give a sense to the committee of the point that Mr. Ramsay makes with respect to volume, by the third week of October, the increase in the call volumes was approximately 110% over the forecasted call volumes and continued to be 100% above forecast into the second week in November. It peaked at 550% over forecast on October 28.

**Mr. David Ramsay:** And these were forecasts anticipating you would get an increase in volume because of the pandemic, yes.

**Mr. Saïd Rafi:** So a 550% increase. Now, I would also note that in Mr. Woods's comments, he identified that the working relationship between Sykes Assistance Services and the ministry at the time—and of course, I can take no credit for this—was quite exceptional, not only during H1N1 but also during SARS, an even more

challenging time in Ontario's experience with health-related matters.

Perhaps Mary, and then to Bruce?

**Ms. Mary Fleming:** I'll just expand on what the deputy said. In early October, Telehealth began experiencing an increase in call volumes. By October 25, the call volumes were approximately 110,000 more than they might have expected had H1N1 not happened. By the second week of November, the increase had peaked at the 550% that the deputy just alluded to.

The impact in the increase in volumes, of course, resulted in tremendous wait times to speak to a Telehealth nurse, but this wait was worth it and appropriate, given that the volumes had increased in the manner that they had, because it kept people from visiting emergency departments, which were also very, very busy, or making a visit to their family doctor, where they might be exposed to other people with symptoms. So, many people, while they weren't happy to wait, waited for the callback. The standard for the callback under our contract with Sykes is 30 minutes, but many people were waiting more than an hour, and sometimes even more than that. But again, I think that the people were happy for the assistance from the nurses.

The company, the service provider, implemented all types of strategies to try to mitigate the impact of the surge in calls. Those included having staff work additional hours; redirecting all available nursing staff to answer Telehealth Ontario calls rather than some of the other services that we've talked about them offering; adjusting shifts to have more people on the peak times rather than overnight; and suspending any training activities or anything that staff was available for. They immediately created, with the assistance of other people in the ministry who were working on a response to the pandemic, an audiotape library that was just about H1N1, so people could listen to that. They added additional voice mailbox capacities so that the telephony didn't just crash.

While we would have hoped, as I'm sure they'll say—the service provider, that is—that they could have responded more quickly and to more calls, we were pleased with their efforts during that time.

**Mr. Bruce Woods:** I'm going to have Gena touch on it, but I think one of the lessons coming out of this experience is that when you have a situation such as H1N1 and your system gets tested to the peak, to me, it kind of indicated a problem in the agreement that we currently have.

In the agreement we currently have, the intention, I think, was for a state of normalcy, where the public is trying to call a nurse and looking for some advice or health information. When we get hit with these huge volumes, it becomes apparent there's an awful lot of those calls that we don't need a \$75,000 nurse to answer. But Sykes only gets paid when a nurse answers the phone.

1400

As we go forward—and we're talking with Mary and the team about this—if we can introduce other players

into the equation—for example, if you're just calling to find out "Where are the clinics? What hours are they open?", we don't need a nurse for that.

We're working on different levels. I've always used—Mary referred to them earlier—NHS Direct as my mentor. They have basically four levels. When you call in, you push 1 and you're going to 911; push 2 and you're going to talk to a nurse, because you need an answer in 60 minutes; push 3 for this; and push 4 for that. I'm just saying that the benefit of hindsight in that learning experience is that, prior to that, I think I would admit when we talked about trying to provide the most appropriate level of care, there was a propensity in my brain to be thinking externally, to be thinking, should I send them to emerg or should I send them to the family doctor? Now it's time for me to look in my own house. Should I have a patient assistance representative or should I have an RPN, on different levels, providing the most appropriate care most cost-effectively? That's my learning lesson. Gena can touch on the all-hands-on-deck deal, when it was happening, but that's just my experience coming out of it to go forward.

**Ms. Gena Horseman:** With the pandemic, too, when we implemented the recording messages at the front end, I think that helped quite a bit, because there were people who did not necessarily want to speak to a nurse. They just wanted to know, "Should I worry? What if I'm pregnant and I've been exposed?", just very general information. It was right there for them and they could access that information immediately.

**Mrs. Liz Sandals:** Okay. One of the things you've mentioned is surveying clients and various groups and seeing if they're happy.

One of the things that the auditor seemed to be identifying was that on the surface of it at least—and I think one of you mentioned this in your remarks, maybe—that the cost per patient in Ontario or the cost per call in Ontario would appear to be higher than the cost per call in some of the other jurisdictions. I'm wondering in the work that you've been doing as a follow-up to the auditor's report, if you've looked at some of those other jurisdictions and seen whether that's an apples-to-apples comparison or what range of services other jurisdictions provide: what's in, what's out of those costings. As public accounts committee, if we see the cost per call in Ontario is higher, then obviously we've got some questions. Whoever can respond to that, it would be helpful.

**Mr. Sa d Rafi:** I'll try. I think we spoke to BC, New Brunswick, Alberta and Quebec. We weren't, perhaps, as successful as the auditor was in getting information out of our colleagues in Quebec. But BC and Alberta provide their own triage—Telehealth, I believe they call it—services in-house. We calculated those costs to be between \$26 and \$29. I think the Auditor General states in their report approximately \$20. For the sake of discussion, we can say we're in the ballpark; I believe we are. Since they're provided in-house and since those ministries don't use activity-based costing, I'm pretty confident in saying they're not fully loaded costs.

**Mrs. Liz Sandals:** Could you talk about what you mean by that?

**Mr. Sa d Rafi:** Yes. There's overhead that would be absorbed. The financial supports, the HR supports and the infrastructure needs would be absorbed in the overall budget. Now, I'm not trying to be provocative and debate whether that gets you to the call costs in Ontario or not, but the second thing we weren't able to get a good handle on was the performance measures associated with that level of service, and I think that's even more important in the context of what we're paying for.

We procured this original contract in 2001 and then re-procured competitively in 2007. It took effect in 2008, because it was the first tranche of the seven-year contract, if I'm not mistaken. We asked for and were assured that it was the most competitive cost, and our process willed that out in Ontario.

We were told confidentially by New Brunswick—and I don't want to put any proprietary information for Sykes Assistance Services into the public realm unnecessarily—that their costs are higher than Ontario's; they have the same provider. Again, we don't know their performance measures, but what we do know is public satisfaction, what we do know is employee satisfaction as represented by SYKES. The public satisfaction was corroborated by the auditor in the main; again, perhaps not at the exact same levels, but roughly so.

The survey we want to get at is the motivators and/or barriers to using the service, which speak to satisfaction, which speak to knowledge and awareness. Would you use it into the future? If not, why not? And if you would, why would you? Also, what's your perceived value of the service? Because we can make improvements. As it then relates to costs, calls and volume, whether we move to another number or not—Mr. Woods has talked about PARs, RPNs and other methods—suggestions have been made about other channels. So I think those are all opportunities to have a good discussion with an organization that's behaved like a partner with us, and not just a contract service provider, to examine the overall cost structure.

**Mrs. Liz Sandals:** That raises a couple of other issues in my mind. One is, if you're looking at the performance measures—and I don't think it's a performance measure in the contract. From the point of view of public policy, are people diverted away from a more expensive form of health delivery because they've used some form of Telehealth triage? We've had this, "Should we have OHIP so you can really match it up call for call?" I'm not sure I'm keen on OHIP or not, just from trying to imagine the mum with the crying baby: "I want some emergency information. I'm not sure I really want to figure out which purse I left my OHIP card in." So I'm not sure about that, but how, if any way, can you actually get a handle on whether the whole enterprise is effective in diverting people away from doing something that would be more expensive?

**Mr. Sa d Rafi:** I must confess, I think the initial response to using OHIP has been as you've characterized

it. You want to deal with the needs of the caller right then and there, you don't want to force them to divert their attention. If it is a mother—that's a predominance of calls—you don't know if she has support there. There's a myriad of potential challenges. I'm not sure—and Mary, you'll have to correct me—we have another connection or a nexus between advice given and advice taken, except to match up through OHIP, and I'm not certain whether we've come to ground with the privacy commissioner on how to effectively deploy that. I believe one other jurisdiction does do that. Is my research correct in that regard?

1410

**Ms. Mary Fleming:** I don't know whether they make the connection using their health number as to whether or not the advice was followed, but we know of at least one other jurisdiction that collects the health number. I had always felt the same way as you, Ms. Sandals: that the last thing we needed to do was to send people rushing off to get their health number. But in Health Care Connect, the new service, or teleconnect, as you mentioned it as, they do ask for the health number, and people have surprised everyone in terms of being ready with it when they call. So we're getting some good experience on that.

The provider does ask if people intend to do what they've been told is the best thing for them to do at the end of the call, and they give that information. But, then, most of us have probably left the doctor's office saying we fully intend to do what we've been asked to do also, so that information isn't completely reliable, particularly because people don't always have the wherewithal, say, to get to the doctor the very next day or something like that. But we do collect that information.

**Mr. Sa d Rafi:** On the other end of that, in the suggestions that have been offered by Mr. Ouellette, I think it was, other channels could also help in terms of the cost per call, if it's more information driven. As we think about how we're going to get more information out, whether it's 811 or 1-800, we might be able to alert people to, if at all possible, "Have your OHIP number ready," and some other examples Mr. Shurman has mentioned as well. Try and look and that, but that will take time to evaluate and assess as to its efficacy.

**Mrs. Liz Sandals:** Okay. The other thing that you mentioned in passing was procurement, and then my colleague Mr. Leal has a question, too, I think.

You mentioned the procurement process, and obviously procurement and the Ministry of Health have been a topic of some interest lately. I think you did mention that it was a competitive process, but I wonder if you could talk a bit about how that procurement process actually worked and how that plays out.

**Mr. Sa d Rafi:** Sure. Again, I'll start. The contract was ending in 2008, so in 2007, the ministry started a competitive procurement process and, I believe, had a quality score, and then looked at costs for the bid. You had to reach a certain quality level. There were five bidders, I believe; three passed the quality test. So three were taken forward, and then their financial—you're

smiling at me, which tells me I've got some of this wrong—

**Mrs. Liz Sandals:** So if I could interrupt, Deputy, in the RFP documents, then, would you have outlined the performance? To what degree would the RFP that people had to respond to have nailed down the requirements for the service delivery?

**Mr. Sa  d Rafi:** I should have answered that in the first instance—

**Mrs. Liz Sandals:** You may have Mr. Woods, here, who remembers this.

**Mr. Sa  d Rafi:** —and then Mr. Woods can give his perspective of being a participant in that process, which we rarely get a chance to hear from.

**Ms. Mary Fleming:** As the deputy said, in October 2006, we received Management Board approval to issue an RFQ; we did a request for qualifications. It was issued in March 2007, closing on April 19. Four submissions were received for teletriage services, and the RFQ, the request for qualifications, demanded that respondents receive 60% in order to be eligible to submit a request for proposals. All of them did so, so they were invited to respond to the request for proposals.

We established a four-member evaluation committee with expertise from the government's and the ministry's I&IT cluster, information and information technology; the nursing secretariat of the Ministry of Health; current program staff for Telehealth Ontario in the ministry; and former Telehealth staff who had gone on to work in the policy group in the ministry.

The RFP had been released on August 1 with a closing date of September 6. One of the respondents notified us and said that they weren't going to be able to make the closing date, and another one responded and said that they were withdrawing. So in order to have a truly competitive process, we let all of the people who were responding have more time in which to do so; otherwise, it wouldn't have been a real competition. Ultimately, three proposals were received for the provision of teletriage services and they all passed the first stage, which is the mandatory requirement check, and moved on to the evaluation of the rated criteria. Then, two proponents moved on to the evaluation of the price component and the preliminary cumulative score.

We engaged a fairness commissioner to oversee the entire process, including the site interviews and demonstrations that took place on October 25, 2007. Following that interview and presentation, a cumulative score and weighted criteria were all accumulated and Sykes Assistance was deemed to be the successful vendor.

**Mrs. Liz Sandals:** Did Mr. Woods want to qualify as one of the proponents?

**Mr. Bruce Woods:** I just wanted to comment on our experiences with Ontario from a purchasing perspective. It's pretty tight, because when the RFP comes out they're basically saying, "Here's the deal," and there's a contract attached. I don't know how many pages the contract is—

**Ms. Mary Fleming:** Many.

**Mr. Bruce Woods:** —but it's quite a bit. So if you've got your sales hat on and they indicate, "If you've got any indigestion with this, speak now or forever hold your peace," as a salesperson you're not exactly going to say, "Oh, I hate that and I hate that." I think, from a procurement perspective, it's pretty tight. In fact, if I recall correctly, I think the ministry has prices committed from us for eight years and we've got a 120-day deal. I live for 120 days. So with all due respect to the ministry, when I said that they ran this program well, I think they managed it well.

**The Acting Chair (Mr. Jerry J. Ouellette):** Thank you. Seven minutes ago, you said that Mr. Leal was going to get a chance. He can come back in the next round. We're going to change the rotation a bit and go to the third party at this time.

**Mme France G  linas:** Already? Okay. Thank you.

I want to come back to the comments made by the auditor regarding the price per call, which averaged, in Ontario, close to \$39. It's averaged in other provinces at way lower. I understand that you get what you pay for, that not all calls are considered equal. Could you elaborate a little bit more as to how there could be a \$20 difference in the average per call from one service to another?

**Ms. Mary Fleming:** Upon learning that information, and even prior to the audit, we always attempted to keep up to date with the way that the service was being delivered in other provinces. The information obtained regarding the service in other provinces and their cost per call, as well as their performance standard—it isn't always as easy to obtain the similarities between those programs as one might think. In fact, we were not able to get very much information at all about the service in Quebec or about the standards in some of the other provinces.

I would also note that two of the provinces mentioned by the auditor are provinces where these services are delivered by government organizations, so the costs don't necessarily reflect all the costs associated with delivering the service. For example, some IT costs, some human resources costs and things like that wouldn't necessarily be represented by the price per call.

The competitive process I just described ensures that Ontario got a competitive price for provision of this service in Ontario. We also know that our service provider provides the service to an eastern province at greater price than it is in Ontario.

**Mme France G  linas:** And you know this from a phone conversation with the people in New Brunswick?

**Ms. Mary Fleming:** That's right.

**Mme France G  linas:** So the only elements that make a call worth \$20 more than another call that you have brought forward are because if you use government employees, then you use government IT and government human resources. Are there other elements that could justify a \$19-per-call difference between what Ontario pays and what other providers pay?

**Ms. Mary Fleming:** The standards could be different. They could be letting their service provider—be it their

own employees, in the case of some provinces, or the service provider that they contract with—return the calls back at a much longer time. They could be giving them an hour to call back as opposed to 30 minutes, or they could be having a longer standard for the caller speaking to a live voice. Any of the standards could be adjusted so that the service would be cheaper.

1420

**Mr. Bruce Woods:** Another issue with who is answering the phone: As I said earlier, with the contract with the ministry, a registered call has to be handled by a nurse. We know that in certain other jurisdictions, not all calls are handled by a nurse. So if you've got a \$30-an-hour nurse versus a \$10-an-hour PAR, and a \$10-an-hour PAR is handling—

**M<sup>me</sup> France Gélinas:** What are those other jurisdictions, and who is answering the call?

**Mr. Bruce Woods:** In Alberta and BC, you mean?

**M<sup>me</sup> France Gélinas:** You said, "We know that there are other jurisdictions where it is not nurses who answer the call." So what are those other jurisdictions?

**Mr. Bruce Woods:** I meant to say, there are other jurisdictions where nurses don't answer all the calls. All I'm trying to say is that in our jurisdiction, a registered call is defined in the contract as being a call that is handled by a nurse—period. I've tried to share the fact that I think there are a lot of calls coming in for which we don't necessarily have to have a nurse. I think the ministry agrees with that. So we're going to go to some lengths to try to identify what that appropriate level is. Some of the other provinces are doing it now. I can't speak to what they're all doing, but I know some of them are. The combinations of service level, the mix of people taking the calls and the absorption of overheads—I don't want to get into an accounting exercise here. I'm not sure what diligence or if my associates up at the front of the table ran those numbers, but I think there would be a considerable amount of work to take into consideration to compare those numbers. That's all.

**M<sup>me</sup> France Gélinas:** I can tell you that our auditor goes through quite an extended amount of work, and when he talks to auditors in other provinces, those people know how to compare oranges with oranges and apples with apples. I've always been very confident that when our auditor puts something on paper for us, he is comparing apples to apples and oranges to oranges. To a certain extent, you've brought some points forward. You said you know that in some other provinces, they use other levels. Mind you, when I ask if anybody uses RPNs, you all said no, that Ontario would be the first where you would be doing it very carefully.

**Ms. Mary Fleming:** They might be using clerical staff for the collection of demographic information, not for the triage of patients. That's included in the list of things that we're looking at in conjunction with the possible implementation of 811, to make sure that the service doesn't become tremendously more expensive. The difference in price, for example, in Alberta, could be related to the fact that callbacks are permitted to be made within 120 minutes, as opposed to our 30 minutes.

**Mr. Saïd Rafi:** If I could, just for the record, Chair, no one is disparaging the auditor's due diligence. I've worked with Mr. McCarter for many years, so I don't want the committee to feel that we have some fundamental disagreement with the findings, but rather to say, and more importantly, perhaps, that if we're going to get down to a very deliberate dollar-to-dollar, cent-to-cent comparison per call, we need to do that in a way that explores every aspect and every facet of the service provision in one jurisdiction versus Ontario. I don't believe that time permitted to do such a detailed comparison, but I stand to be corrected.

**Mr. Jim McCarter:** Just an example: When Quebec got back to us, they said they have 15 call centres and basically said, "We're paying \$14.48 per call, plus an admin fee of \$5.56 per call, which is about \$26." But in our report, we did say that, for instance, things like infrastructure—we weren't sure how they were picking up something like infrastructure. But what we said to the ministry was, because the difference is so big between \$20 and \$40, that we think it's worthwhile that you have a look at this and see if they're doing something differently or most cost-effectively, because it is a pretty big spread, if I could put it that way. The three jurisdictions came and indicated they're in the \$20 area. But it was difficult to get a lot of additional information with respect to who was paying, say, for the building that they were housed in. That's quite a big spread. We were essentially saying, "We think it warrants a look" to the ministry.

**M<sup>me</sup> France Gélinas:** All right, because so far, to have a secretary take the demographics, I can't see \$20-per-call's worth of savings coming out of there. And to have HR under the bureaucracy of the government, here again I have a hard time putting the numbers together. This is what public accounts does: We look at numbers. That's what we're there for and that's what we do.

All right, I'll let this one go, but if you can think of other arguments to justify the gap, I'm open to listening at any time.

One piece of information to me—I'm looking at time to call back. We've all heard about the 30 minutes. For the client, if I was told that the service is to be provided within 30 minutes, in my mind I would say, "From the time that Telehealth answers the phone to the time I talk to a nurse, this is 30 minutes." But we found out that it's not from this; it's from after the PAR has put the call in the queue that the 30 minutes start. Then we were given nine other wait times that will now be collected, but none of them are—from the caller's point of view, from the time your call is picked up to the time you talk to a nurse, it should be 30 minutes or less. I'm wondering, out of the nine average times that you will be collecting, how come you don't collect that one?

**Ms. Mary Fleming:** We don't have a standard with respect to—I just want to make sure I understand your question. You think we should both collect the time and hold the provider to a standard from the time the person called in.

**M<sup>me</sup> France Gélinas:** From the time the phone is answered to the time I talk to a nurse, to me, this is relevant. Set it at 30, set it at 45, set it at whatever you want, but this is pertinent to the people who call so you can say to people, "I guarantee you, you will talk to a nurse within 30 minutes. The stats show 90-some per cent of the time, they call you back within 30 minutes." But you don't count the 30 minutes the way the consumer would count 30 minutes. The consumers would count 30 minutes from baby wailing in arms, somebody answers the phone, I talk to a nurse. But you don't do this that way; you start the 30 minutes later. We were given nine new times: the average time the caller waits for the time they connect; the average time spent waiting to talk to—anyway, you're now collecting way more things, but not the one that matters to people.

**Ms. Mary Fleming:** Yes, and I think that was something we learned from the audit. It hadn't previously been something that had been pointed out to us. We now have worked with Sykes to make sure that they have the capacity to collect that so we can see how much time that is that's added to the time from, as you say, you're waiting with your child who's complaining of something to when you actually get to talk to a nurse. We understand from them that most people only have a tolerance to wait about six minutes before they'll opt for leaving a message for a return call.

The company has a good record in terms of returning those calls within the standard. But I think that the auditor, and also your questioning as well as others', has highlighted to us that in fact, we weren't necessarily seeing it the way consumers see it—that the time starts when you make the call.

**M<sup>me</sup> France Gélinas:** All right. So from that conversation, can I take away that this is now something that we can expect you will discuss and do something with?

**Ms. Mary Fleming:** We're looking at the numbers to see what difference it makes to people and whether that's something that should be looked at in terms of a contract amendment. We haven't made a firm decision.

**M<sup>me</sup> France Gélinas:** And do we know if a firm decision is forthcoming or when those talks take place—at the renewal of contracts, or do they take place on an ongoing basis?

**Mr. Sa  d Rafi:** Opening a contract is a complex thing, as you know, so we want to be judicious about it. I think we have a good partner that's willing to look at different ways of how they deliver the service based on certain standards we might mutually set; based on findings we receive; and based on survey data that comes in.

Survey data has not come in. It's being analyzed if it has come in, as I mentioned to you earlier. It will take some time to crunch through all those things. These are not things that we're going to wade into quite recklessly or too quickly, because, again, nothing is cost-free. But we want to respond to patients' needs.

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**M<sup>me</sup> France Gélinas:** Okay.

**Mr. Denis Thibodeau:** If I can just add that the nine data points we referred to—those are just different data

sets that we're going to work with the ministry on to measure so we can get a guide as to what the impact is of those wait times so we can make some decisions on how we're going to proceed from there. We wanted to highlight that our system currently can measure those distinct nine data points—and I believe there are nine; I didn't count them. That will help us make that decision.

**M<sup>me</sup> France G  linas:** I would like to see a 10th one, which is the only one the consumer cares about. But anyway—

**Mr. Bruce Woods:** Can I just—I want to make sure that I'm understanding what you're saying the consumer cares about. From the time they hit the switch till the time that the nurse calls them back: That's what you're—

**M<sup>me</sup> France G  linas:** From the time you pick up the phone to the time the nurse calls her back or talks to her.

**Mr. Bruce Woods:** In contrast to what you understand we currently do today, where the PAR takes the message, and from the time the PAR finishes taking the message, the 30-minute interval begins.

**M<sup>me</sup> France G  linas:** Correct.

The next one is translation services. I might have missed this, but where are the translation services located? I understand they're not all from Ontario.

**Mr. Bruce Woods:** Gena, do you want to talk about that?

**Ms. Gena Horseman:** Correct. CanTalk is who we use, and they are located in Winnipeg.

**Mr. Bruce Woods:** So during the course of the discussions, as they relate to the PHIPA sub-agent agreement, it came up that we didn't have a PHIPA sub-agent agreement with CanTalk. We began to enter into discussions, and exactly the point you're making became apparent. So they went through legal—our legal, the ministry's legal—and it was agreed that it wouldn't be provided that it could be for Canada as opposed to Ontario. Is that what your question is?

**M<sup>me</sup> France G  linas:** Yes, kind of. I was not looking at PHIPA as much as I was looking at Ontario, with the diversity we have and the interpretation service capability that exists within the health care field in Ontario for the multi-language. I was kind of surprised that we would go out of province for this.

**Mr. Bruce Woods:** I don't know. Are there other—

**Ms. Gena Horseman:** We currently are looking at other alternatives, but there has been no decision made as of yet.

**Mr. Sa  d Rafi:** I shouldn't presume this, but if you're aware of services that exist in Ontario that have 100-plus multilingual capability, we would like to receive them and then we can talk to Sykes Assistance Services about that, pending their own contractual obligations.

**M<sup>me</sup> France G  linas:** Sure. There's a community health centre right here in Toronto that provides 112 different languages and specializes in health care.

**Ms. Mary Fleming:** The difference is—and I don't say this to contradict you, but just to make sure everyone understands—they do it within 90 seconds, because we're trying to offer to those people who speak that wide

range of languages as close to the service that we can expect in English and French.

**Mr. Sa  d Rafi:** That's the bar. But we'll certainly investigate that.

**Mme France G  linas:** When we talked about the original RFP, where you talk about the workforce having a minimum of three years' experience, including at least one year of acute care or clinical experience, we know that this was not met for reasons that you've explained. But I think there's a renewed endeavour to try to meet those. Here again, do we have a timeline as to when you figure those standards will be met?

**Mr. Bruce Woods:** As of immediately, we are no longer hiring anybody with less than three years' experience. Is that correct—

**Mme France G  linas:** But all of the ones who are already there—I'm talking for your entire enterprise—when do you figure you will have all of your staff have three years' experience? I understand it's for the new hires. I don't expect you to lay off anybody out of this, so how long before it gets done?

**Mr. Bruce Woods:** We currently have 22 nurses, so is your question what we're going to do with those 22 nurses to bring them up to speed or what we're going to do with the 22 nurses to remove them from employment?

**Mme France G  linas:** I have no intention of asking you to remove anybody; I'm asking you what's the plan for the ones who are not in compliance.

**Mr. Bruce Woods:** What we tried to allude to in the documentation was that notwithstanding, we acknowledge the limitations. In the recruiting process, there is very extensive testing done. Gena, who has been in operations—we actually went to work in HR for a while and introduced a number of new tests for the purposes of assessing critical thinking objectively. This was a step above our old recruiting process.

Basically, you go through a process. There is some fundamental skill testing done in terms of keyboarding, English and Windows. Once you pass that test, then there's also skill testing in terms of critical thinking. These individuals have passed that test.

I think what we're trying to be careful—because I don't want to undermine anybody here. Some of these people are as good as or better than the people with three years.

We can't assume that just because maybe a nurse has 12 years of work experience, they're better. There are a lot of competencies around computer literacy. Given that this is a non-traditional type of nursing, you can't be trying to find the D on your keyboard while you're focusing on what the patient is saying. If they get through these tests, we're pretty comfortable that they're delivering the service. However, I'm out of compliance and I'll get back into compliance.

**Mme France G  linas:** Okay. You did mention that you now have a new recruitment strategy and that the dropout rates in orientation have improved by 50%. I take it that during orientation, quite a few people real-

ized, "This is not for me" and left. What was the drop-off rate before and what is it now?

**Ms. Gena Horseman:** I don't have that at my fingertips.

**Mr. Bruce Woods:** But it wasn't a point we're trying to make here. Pursuant to having a more finely tuned recruitment process, we're finding more people are successfully moving through the system, as opposed to "Have you got three years?" and you're in—

**Mme France G  linas:** No, I realize.

**Mr. Bruce Woods:** —and then you drop out.

**Ms. Mary Fleming:** We can get those numbers for you.

**Mme France G  linas:** Okay. I'm going to have to go.

**The Chair (Mr. Norman W. Sterling):** Okay. Mr. Shurman.

**Mr. Peter Shurman:** I have a comment to make, first of all, and I wouldn't mind hearing a reaction to it.

I've got to say, I've been listening to this for about an hour and a half, and I'm not that impressed with what I'm hearing. What it sounds like to me is a bit of a love-in between the call centre and the ministry: a ministry that doesn't put or attach the kind of importance to this service that it really should, and a call centre that has statistics that are not being disclosed. That's what I'm hearing. I'd like to know where I'm wrong on this.

I'll tell you, I'm going to zero right in. From all sides of this table, you've been getting questions on why there's an obvious disparity between jurisdictions on the cost per call. I'm not going to call into question what the auditor did. I know his work and I think that, by and large, we're probably looking at something akin to apples-to-apples, given the fact that we've got different jurisdictions.

So tell me, gentlemen and ladies: Why have we got a call cost that is somewhere approximating double in some jurisdictions? We've got this superior call process here, or maybe better call-handling capability, yet we're dropping in terms of the use of this service. Ontarians are just not calling as much as they are in other jurisdictions. They're growing; we're dropping. How do we explain this inverse relationship? I don't get it.

**Mr. Sa  d Rafi:** I would say that we have some differences in the costs but that's at the margins; there's no point in debating that. We think it's \$26 to \$29; the auditor said \$20. Fine. It's a large delta, is what you're getting at. I'm not going to dispute that.

We haven't dug into the issue that you're talking about, in terms of comparing performance standards to jurisdictions. I think we've been clear in saying that we're prepared to do so. We're going to examine how we can reduce our costs. One of the requirements is that RNs answer every call. I think we've talked a fair bit about that, and in an open manner, we hope, that tries to address some of the mid-course corrections, if I can put it that way, that we want to make and are prepared to look at, as well as the volume, or the consistent increase.

It has been a fairly flat line of demand: registered calls, 900,000 to one million, over the last eight or nine

years. That's a large number but not necessarily entirely representative of the population, and perhaps there's an opportunity to increase that. We spoke of some methodologies in which we want to undertake to examine how to increase that call volume.

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**Mr. Peter Shurman:** I'd be happy to see the cost of this thing rise. It's \$35 million, approximately, right now, that we're spending per year. I would rather see this at \$100 million or \$200 million with a commensurate drop in the use of more conventional services by people who don't really need to go to a hospital or a doctor or whatever. That comes down to how you market the service, basically, if I can just use commonplace language, go out and advertise it. Whatever's necessary.

Why has the ministry not put the emphasis on that that I seem to feel should be there? Why is this utilization rate not of as much concern, and why wasn't it of concern before the auditor dug into this?

**Mr. Sa  d Rafi:** Well, I'm sorry, I can't accept that it wasn't of some concern. I don't know what your expectations are in effective marketing, in terms of spend against dollars expended. So—

**Mr. Peter Shurman:** If I can clarify for you, I'm not trying to tell you to go out and spend more; I'm saying I would be happy to see you spend more if there was a continued increase in utilization and a commensurate drop in other service usage.

**Mr. Sa  d Rafi:** Thank you. What I'm trying to drive at is to say that we are trying to move on many fronts. I think we've been open in accepting very good suggestions and willing to examine those. We're trying to determine, what is the utility of this service to the public? If there's a poor utility, we will examine how to improve that. If there's a high utility, but it could go higher based on some connection of OHIP number to actual use, then you're right: That will be a clear indication of cost avoidance, cost deferment.

I'm sorry you don't agree, Mr. Shurman, but I think we've been fairly open in indicating that we're wanting to do that. As far as an effective partnership goes, it's my fervent belief that it's of no value to the taxpayer to have a contract with a supplier that is simply then taken out and beaten—the supplier—to death with the contract. What we have here is a willing contract partner who has decided and agreed to come to this committee to share—unscripted, I dare say, and without prompting on our part—their own views about what it is we can do to improve the service together. I hope that that's going to meet with the committee's benefit.

**Mr. Peter Shurman:** Well, it would meet with the committee's benefit. But I want to get, for my own clarification—and I can't speak for others—more specifics. I'll start by asking some questions that require specific answers.

What's the average call length, in minutes?

**Mr. Bruce Woods:** Ten minutes.

**Ms. Gena Horseman:** Yes, about 11 minutes.

**Mr. Peter Shurman:** So the cost per minute, if I could bring it down to that, would be somewhere in the \$4 range? Is that fair? The \$3 range? How do you calculate that?

**Mr. Denis Thibodeau:** I couldn't tell you off the top of my head.

**Mr. Peter Shurman:** I know what the cost per call is, so you could divide it by minutes, but maybe that's not your math.

**Mr. Denis Thibodeau:** I would have to go back. I would be guessing, and I wouldn't feel comfortable making that guess on the number.

**Mr. Peter Shurman:** Well, I'll tell you what I'm getting at—

**Mr. Denis Thibodeau:** It's per registered call, then we can just—not every call gets registered, so I'd be hesitant to give you that number at this point.

**Mr. Peter Shurman:** I'm sorry, I didn't get that. I didn't hear you.

**Mr. Denis Thibodeau:** I said we have the number of registered calls, we'd have to go back and include all the phone calls and minutes that are involved with that and give you the cost per minute.

**Mr. Peter Shurman:** So you don't have statistics available that tell you what your return per minute is?

**Mr. Denis Thibodeau:** Not at this point. Not in front of me.

**Mr. Peter Shurman:** Could you get them?

**Mr. Denis Thibodeau:** Yes, we can.

**Mr. Peter Shurman:** Okay. My next question was going to be whether that's monitored, and I see that it's not.

The reason I'm going down this road is that a per-call charge would encourage curtailed calls, in minutes. It's just natural. The longer you take at a flat rate, the more cost you're incurring and so forth. If you were charging on a per-minute basis, that would encourage, in my mind, a more needs-based type of call which would then be appropriate in length to the issue being discussed. If it was something simple, it might be a call that lasted only two minutes. If it was something fairly complex, you might have a registered nurse talking to a caller for half an hour. The averages would have to work out, and you'd have to cost it on that basis. Has any consideration been given to that? Anybody?

**Mr. Bruce Woods:** We're not averse to doing it.

**Mr. Peter Shurman:** I'm asking you, have you considered it?

**Mr. Bruce Woods:** We haven't considered it. We responded to the RFP, which was acquired at cost per call. If the ministry would like to come back and modify that and say, "Hey, listen, why don't you give us a price per minute?" that's fine.

**Mr. Peter Shurman:** Well, let me ask the ministry representatives. Have you looked at that as a possible model?

**Ms. Mary Fleming:** No, not at this point, but we'd certainly take it under advisement. We're looking at all kinds of ways to save money, excluding reopening the

contract, as a result of the audit, and changes that should be made.

**Mr. Peter Shurman:** How are the nurses and doctors paid? Are they paid per call as well?

**Mr. Bruce Woods:** No.

**Mr. Peter Shurman:** How are they paid?

**Ms. Gena Horseman:** The nurses are paid by the hour.

**Mr. Peter Shurman:** By the hour.

**Ms. Gena Horseman:** Yes, they are.

**Mr. Peter Shurman:** So in other words, the questions that I'm asking have some relevance, in the sense that the people who are the ultimate respondents are time-based, whereas the call centre's compensation is call-based. So the statistics I've asked for—and you kindly offered to supply—have to exist somewhere, because you've got apples and oranges going on here. I think in there, you may find the answer to these questions which have come around the table about the cost per call in this jurisdiction and the cost per call in others. Just a comment from me, but I have some experience in this and I think I know a little bit about what I'm talking about.

You have something you wanted to say?

**Mr. Sa d Rafi:** If I might, I think you've actually come right around to the issue that we've been trying to identify, if perhaps not as well as you've captured it or to your satisfaction. I think a judgment was made in 2007 as to how we wanted to price this service, because it is more of a contact centre than a call centre. I'm going to now be careful and defer to your experience, Mr. Shurman, with respect to call centre activities, but this is obviously not outbound, it's inbound. This is about retention of clinically skilled individuals, and we've seen how challenging that can be quite recently, as the company has indicated.

We also want to have a respect for people's health needs, and not create a perverse environment: "I want to get off the call because I'm going to make more money with the more calls I take." This is not a volume business, it's a quality business.

Maybe that was the wrong choice to have made back in 2007. I think, as Mary has quite rightly said, we're prepared to revisit that should it be in the best public policy interests of Ontarians.

**Mr. Peter Shurman:** That's a good answer. I think that part of what we do at the committee is to dialogue a little bit, so that maybe we can shine a light on some of—I'm not looking to be adversarial here. I'm looking to bring some of this to the surface. Obviously, in the last couple of minutes, we have.

Let me focus for a second on wait times, which are detractors—it's a major detractor—from the use of the service. What happens when you have heightened wait times is that you push people to go and use some other service. What would another service be, if you can't get somebody on a phone? Almost anything in the range of services available would be an expensive person-to-person intervention somewhere. So the wait times are not a positive thing, and from what we are seeing, about 25% of people in the wait queue fall off. They just never make

it; they don't wait. You have a high service level on the people who do get through. Is that a correct characterization?

**Mr. Bruce Woods:** It's correct, and I believe that 25%—I think we are arguing. Nineteen per cent to 25% of the people in the live queue, at approximately six minutes, are saying, "I've waited long enough." I'm sure we can all relate to that. If you're sitting there in a queue for six minutes and nobody's answering the phone, you might go—

**Mr. Peter Shurman:** "The hell with it." That's what you do.

**Mr. Bruce Woods:** Or, "I'll call back and see if they'll call me back."

**Mr. Peter Shurman:** I'm told that we don't have accurate—or any—statistics available to us on the waiting queue; that you can't supply those. Is that true?

**Mr. Bruce Woods:** We did not supply those.

**Mr. Peter Shurman:** You did not.

**Mr. Bruce Woods:** Right. But we can supply those, and we have since supplied those. They weren't supplied because—I mean, what's that expression? What gets measured gets managed?

The goals of the program are outlined. We try to live by the goals of the program and we've met the service level. If, however, there's some indigestion with the fact that this isn't being measured, we've come back to Mary and said, "Here's the data for"—I don't know. How many months? Was it 12 months?

*Interjection.*

**Mr. Bruce Woods:** It was 14 months. And if you look at this, on average, it looks like it's about six minutes.

**Mr. Peter Shurman:** Six minutes before somebody leaves or six minutes before somebody gets answered?

**Mr. Bruce Woods:** No, that's their abandonment point. You're always wanting to challenge the expectations. Our expectations will vary depending on the alternatives available.

The analogy I might use is, if you were calling to buy a new computer from a computer company and they were slow answering the phone, you would be pretty impatient, and then you'd just go over to the other guy. But if you were calling the computer company because your computer's broken, you might be prepared to wait 15 or 20 minutes.

**Mr. Peter Shurman:** I've done it, and so have you.

The question here is, when you give me six minutes, is that the average wait time to abandon? Is that what you're saying?

**Mr. Bruce Woods:** In the live queue.

**Mr. Peter Shurman:** In the live queue.

**Mr. Bruce Woods:** Yes.

**Mr. Peter Shurman:** And is the—

**Mr. Bruce Woods:** Am I correct, Denis?

**Mr. Denis Thibodeau:** If I can correct the—the average wait to abandon in that time period was 6.7 minutes, and the average wait to the call being answered was 6.4.

**Mr. Peter Shurman:** That's weird. How can that be? If the average wait was 6.4—

**Mr. Denis Thibodeau:** Of those answered.

**Mr. Peter Shurman:** —and the average time to abandon was 6.7, that's kind of at odds with what you'd think.

**Mr. Denis Thibodeau:** Of the calls that were answered, they were answered within 6.4. That's an average. Obviously, some are higher and some are lower.

**Mr. Peter Shurman:** Yes, I understand.

**Mr. Denis Thibodeau:** And of those that abandoned, their tolerance level, on average, was 6.7 minutes.

**Mr. Peter Shurman:** And what's your percentage of total calls that hit the switch that were abandoned?

**Mr. Denis Thibodeau:** Six per cent of total calls.

**Mr. Peter Shurman:** Okay. Let's move to another question that came up before, and that's recording. We've heard some allusion to privacy issues on recording. In the call centre world, loggers, now digital, are pretty standard. Are you able to digitally log these calls? Anybody?

**Mr. Denis Thibodeau:** Well, we were in recent conversations with the ministry, and we have permission to proceed. We have some procedural issues to work out in terms of how long we can archive some of the recordings. Now we're in the process of evaluation, evaluating a couple of solutions.

**Mr. Peter Shurman:** So what you're telling me is that the equipment exists, the ministry is provisionally saying, "Go ahead," you haven't implemented but you will?

**Mr. Bruce Woods:** Yes.

**Mr. Peter Shurman:** Well, that's a good thing.

What else have I got? Quality-of-service review: In other jurisdictions—

*Interjection.*

**Mr. Peter Shurman:** Do you want to clarify something?

**Mr. Sa  d Rafi:** We should clarify that, because I don't think we've come to ground yet on whether we can tape the call. We will be guided by the privacy commissioner. We've had some positive discussions. I won't speak to the technology available in order to do so and the length of time in order to retain. Those are decisions we have to make, and then we'll inform the service provider.

**Mr. Peter Shurman:** So my word "provisionally" would be provisional upon these various concerns?

**Mr. Sa  d Rafi:** Fair enough. I just wanted to be accurate.

**Mr. Peter Shurman:** Okay. The last element of my questioning would be this quality-of-service review, which seems to be fairly loose to non-existent in Ontario at this time versus some other jurisdictions—things like mystery callers or whatever form of quality-of-service review might be appropriate. Where do we stand on this at this time?

**Mr. Bruce Woods:** Susan brought up the fact that, basically, in our operation, we look at things one off. Say you're a nurse, I'm monitoring your call, and there's a deficiency in that process; we address that. Or if there's a complaint, we address that.

I think the point Susan was trying to make was, "Don't you, as the big cheese, Bruce, want to be able to sit there and say, 'Systematically, across the entire domain, what are the burning issues?'"

What we've been doing is taking all the complaints, consolidating them and attempting to identify what the reason codes are, for the lack of a better word, for those complaints. If I recall correctly, what I saw last month was basically customer service empathy or something from the nurses. Is that correct? What was the number one point of indigestion for the nurses on complaints?

*Interjection.*

**Mr. Bruce Woods:** Anyway, we consolidated all this complaint data. So that's what we're trying to do. Then we're going to work with the ministry. So we would go out and talk to Seetha and say, "Seetha, what would you like to see in the way of this reporting?" We want it, from an internal point of view, from Six Sigma and variance and all those kinds of reasons. We weren't desirous of it, but we were guilty of not doing it.

**Mr. Peter Shurman:** I think that's an interesting aspect and I applaud you for it, but what you're talking about is responding to complaints. I think we could say about almost any discipline that complaints are the ultimate outlet for anybody who really wants to take things to completion. What I'm asking about is a quality-of-service review that is not based on complaints. Maybe I can ask the ministry people where we stand on that.

**Ms. Mary Fleming:** We'll be undertaking independent satisfaction surveys of individuals who have used the service or individuals who are affected by the service. As well, we have a range of committees that we convene in order to learn more about how the service is affecting people in different parts of the province. We will also be working with our own internal audit branch to make sure we're finding out as much as we can about the quality of the service.

**Mr. Peter Shurman:** Thank you.

**Mr. Jerry J. Ouellette:** A couple of quick questions, Chair?

**The Chair (Mr. Norman W. Sterling):** Sure.

**Mr. Jerry J. Ouellette:** The first one is, during your presentation, Deputy, in the opening remarks, you mentioned that the service provides one aspect that—since we've been here, we've done some checking. There are a number of MPP offices here that we've checked with and nobody seems to know the fact that you aid and assist in providing doctors for individuals—full-time docs. How do you convey that information to the members, because, quite frankly, I imagine other members' offices are just as inundated as we are with individuals looking. We had no idea—my office didn't—and I've got a substantial number of MPP offices that have said, "We didn't know that." How do you convey that so that we can get that information out and provide that service? And where else is it provided of the various services that you provide?

**Ms. Mary Fleming:** Are you referring to Health Care Connect?

**Mr. Jerry J. Ouellette:** Yes.

**Ms. Mary Fleming:** I'm disappointed to hear, as my ministry colleagues will be, that you're not aware of the Health Care Connect program. But I will certainly be taking back the fact that we have to get a communication out to all MPPs about the service. Also, we have a CCAC nurse in every CCAC, and we'll put them in touch with the members.

**Mrs. Liz Sandals:** Can I just comment on a point? I was quite aware that the service, Health Care Connect, existed; it was just that I didn't realize that it was you that was doing it. But I think if you go to the ministry website, there's information there about Health Care Connect, isn't there? I think the information is on the ministry website. I just didn't connect it with you.

**Mr. Saïd Rafi:** We'll take that as feedback that we could do a better job of making members in all parties aware. Fair enough.

**Mr. Jerry J. Ouellette:** I think the time is up.

**The Chair (Mr. Norman W. Sterling):** The time has expired. Thank you very much for coming today. I don't know whether we can ask members to stay for a few seconds after to try to give any instructions—

**Mrs. Liz Sandals:** I've got a call waiting upstairs.

**The Chair (Mr. Norman W. Sterling):** Okay. Just keep your memories active so we can—

*Interjection.*

**The Chair (Mr. Norman W. Sterling):** Yes. We can talk briefly about this as we're doing our report writing at 9 o'clock next Wednesday morning.

Thank you very much for your appearance. Thank you very much for coming, Mr. Woods.

*The committee adjourned at 1454.*





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Wednesday 28 April 2010

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Mercredi 28 avril 2010

**Standing Committee on  
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Ministry of Finance

**Comité permanent des  
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Rapport annuel 2009,  
Vérificateur général :  
Ministère des Finances

Chair: Norman W. Sterling  
Clerk: Katch Koch

Président : Norman W. Sterling  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTS

Wednesday 28 April 2010

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
COMPTE PUBLICS

Mercredi 28 avril 2010

*The committee met at 1232 in committee room 1, following a closed session.*

2009 ANNUAL REPORT,  
AUDITOR GENERAL

## MINISTRY OF FINANCE

Consideration of chapter 2, unspent grants.

**The Chair (Mr. Norman W. Sterling):** Good afternoon. My name is Norm Sterling, Chair of the public accounts committee. Today, we are going to consider part of the Auditor General's report, that being chapter 2, dealing with unspent grants. We have today with us Peter Wallace, the deputy minister of the Ministry of Finance, and some other officials with him as well, whom I hope he will introduce when he is going to give some opening remarks.

Mr. Wallace, I'd ask you to proceed. Thank you very much for coming.

**Mr. Peter Wallace:** It's my pleasure to be here. Thank you for the opportunity to appear.

I am Peter Wallace. I am the deputy of finance and secretary to treasury board for the government of Ontario. I just wanted to make it very clear that I've been given exceptional consideration by the committee. I was forced to cancel my appearance last week due to a family emergency, and I very much appreciate your consideration in the rescheduling. That was very helpful to me and is very, very much appreciated.

I will go through some opening remarks and then, of course, I'd be pleased to respond to questions from the committee on chapter 2 of the AG's report.

**The Chair (Mr. Norman W. Sterling):** Before you do that, Deputy, you may have noted that all of the committee have removed their jackets because it is quite warm in here. If any of you feel so inclined, do so. We only have one stuffy member, Mr. Zimmer, who insists on keeping his jacket on.

*Interjections.*

**Mr. Peter Wallace:** Absolutely. I appreciate that.

**Mrs. Liz Sandals:** This room's almost as bad as the treasury board.

**Mr. Peter Wallace:** It's not as bad as treasury board. Treasury board remains legendarily bad.

Let me introduce my now jacketless colleagues: Bruce Bennett, who is the provincial controller and ADM for the provincial controller division, obviously; and Bill

Hughes is an assistant deputy minister for the infrastructure policy and planning division of the Ministry of Energy and Infrastructure. I also have to support me Sriram Subrahmanyam, who is the assistant deputy minister for the provincial local finance division of the Ministry of Finance; and Greg Orenscak, who is the assistant deputy minister for the fiscal strategy and coordination division of the Ministry of Finance.

I understand that you're primarily interested in the infrastructure investments, stimulus investments, and how they're treated in public accounts, so I'll focus my opening remarks on that.

The public accounts, as you know, are a key component in the province's financial reporting cycle, which starts with the spring budget, includes the quarterly reports on the public finances and also includes the fall economic statement and our fiscal report. The consolidated financial statements are prepared in compliance with legislation and in accordance with generally accepted accounting principles, or GAAP, as they relate to governments in Canada. Each year, the Auditor General provides an audit of the province's public accounts and expresses an opinion on whether or not the consolidated financial statements represent fairly, in all material respects, the financial position of the province and the results of its operations in accordance with Canadian GAAP. For the past number of years, I am genuinely pleased to say that the Auditor General has expressed a clean opinion each year on the province's financial statements.

I will now shift to the issue of accounting for infrastructure investments. In recent years, the province has been making significant investments to build and upgrade infrastructure in communities across Ontario. That has included very significant expenditures on roads and bridges, public transit, social housing, hospitals, schools, post-secondary, cultural and recreation facilities, water and waste water infrastructures, and a whole variety of other critically important economic underpinnings. In the 2009 budget, the government responded to the global economic recession with a very significant infrastructure emphasis and package, and that was done not exclusively but largely in conjunction with the government of Canada. The government, as it reports on its progress relative to the infrastructure, accounts for the infrastructure investments under these programs in accordance with GAAP and that part of GAAP that relates to the Public Sector Accounting Board, or PSAB, standards.

Consistent with the PSAB standards, Ontario's infrastructure investments to recipients outside of the province's consolidated financial reporting entity are recorded as expensed in conjunction with certain criteria that are established under GAAP and PSAB. There is a spending authority for the grants. The grants have been approved by the government or elected or appointed officials with the delegated authority to approve those grants. The grants have been communicated to the recipients, and any conditions or eligibility criteria that are associated with that grant have been satisfied by the recipients. Grants are, in this context, one-time transfers that are made at the discretion of the governments. They could be made at any time of the year. If they're made toward the end of the year, they're often referred to as year-end transfers. Whether a grant is made in the first quarter or the last quarter of the fiscal year, the accounting remains absolutely the same. So there may be a policy distinction, but there's no accounting distinction in terms of the timing.

Year-end investments have been a subject of considerable interest in the past, and the government has taken a number of steps to improve accountability associated with those. In particular, after an extensive period of consultation with the Auditor General, in 2007 the province did put in place a number of revised requirements for one-time transfers to enhance accountabilities for these expenditures. So the primary elements that were put in place in 2007 include: specification of the purposes for which funds are to be used and the nature of the eligible expenditures; periodic reporting on the use of the transfer funds, the service deliverables and the outcomes achieved; the right to an independent verification and audit of the information submitted by the grant recipient; and a right to determine that the funds were used for the purposes intended; and finally, of critical importance, there's a right to recover the funds if they're not used, or will not be used, for the intended purposes.

These improved accountability provisions strengthen the province's assurances that any public monies, including these public monies, are spent wisely. In strengthening this assurance, there are a number of important factors to consider. These include: Are they used for the purpose specified, are they cost-effective, and are they achieving an appropriate public policy objective? Obviously, there's a frequent need to balance—this is public policy; it remains a difficult and challenging area—these considerations to ensure overall value for money and ensure that any dollars spent are consistent with a broader definition of the public interest.

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As always in these situations, there is a lag. There can be a lag between the transfer of money to a recipient and the period in which the recipient actually spends the money. Recipients may have requested money at a specific point in time, but oftentimes the projects for which the money is dedicated will take a little bit of time to come to fruition. They may need some time to ensure that financing is lined up, project plans and approvals are completed, long-lead-time materials and any other con-

tracts are ordered and put in place, construction is appropriately tendered and contracted, and of course there may also be delays or scheduling issues associated with simply the effective management of the specific project. That all relates to the general accountability provisions associated with transfers of grants.

There are specific grants that have been undertaken since the 2009 budget relating to stimulus. The government has produced a record level of stimulus into the Ontario economy in the 2010 fiscal year that is forecasted to be even higher over the course of the fiscal 2010-11 fiscal year.

The Conference Board of Canada has recently looked at this and determined that these investments are in fact creating a significant number of jobs and having a significant economic footprint. Obviously, as you know, they're a critical part of the extension of the government's ReNew Ontario plan, which was completed in 2008-09. The current round of infrastructure and stimulus spending are about 5,400 stimulus projects that are approved and are expected to be completed by the end of March 2011. All project applications are reviewed against criteria, including construction readiness, project merit and environmental assessments, to meet the economic stimulus objectives. An important consideration obviously was that they be shovel-ready or close to the point where they can be undertaken, and critically within that construct we expect the projects to be fully completed by the end of March 2011.

Of critical importance to me, as Deputy Minister of Finance, is that this work is being undertaken in very close connection with the government of Canada, and we continue to work closely with our colleagues at the federal treasury board and other agencies to ensure that accountability provisions are consistent across governments, simple and reasonable to administer for grant recipients, but that they provide the critical and appropriate support and respect for taxpayer dollars.

In terms of the specific accountability mechanisms, I'll just go through them very quickly. They include public disclosure of program guidelines, periodic reporting by recipients, right to independent verification and a website posting that allows Ontarians to actually track the progress of individual projects. So, again, what you're seeing is a consistent application of policy as it relates to ordinary grant transfers and as it relates to stimulus as well.

In terms of investing in Ontario infrastructure grants—another issue raised in chapter 2, and I'll spend just a moment on it: The Investing in Ontario Act was introduced in the March 2008 provincial budget with the allocation of funding among municipalities in proportion to their population. That aspect of it was announced and confirmed in August 2008. The initiative was informed by the Provincial-Municipal Fiscal and Service Delivery Review and came out of extensive consultations with municipalities in that context, and those consultations identified a number of consensus recommendations. The report itself recognized that municipalities need to in-

crease their investment in municipal infrastructure and they needed to do that in partnership with other levels of government.

The total funds allocated through the Investing in Ontario Act were \$1.1 billion, and they were divided among municipalities in the way I described earlier to allow the municipalities to meet the infrastructure priorities that they had identified.

As of March 31, 2010, which I believe is the most recent data we have available, half of the spending had already been spent on municipal capital priorities, and of course that's going to run in the range from roads and bridges, social housing, firefighting equipment, any of the other aspects the municipalities would see as critical priorities.

They have also been able to use their Investing in Ontario Act resources to support the municipal contributions that are required as part of the federal and provincial infrastructure program designed to offset the impact of the recent economic recession. The act itself allows the government and the mechanics of the act—I believe you've been briefed on this by Jim McCarter. The mechanics of the act allow the government to take a share of unanticipated year-end surpluses and allocate them to provincial priority need. In 2008, that priority need was identified as municipal use and investment in infrastructure. The accounting for grants is consistent with PSAB, or Public Sector Accounting Board, standards.

I'll just sum up very quickly now. With the impact of the recession, the province has not recorded a surplus since the 2007-08 fiscal year. The result of the recession has been a very significant deficit in 2008-09 and a further augmentation of that deficit in the 2009-10 and 2010-11 fiscal years.

It's clear that the Ontario economy has stabilized. Recovery is very much taking shape. The recovery remains moderate and there are some risks, but we are seeing very strong signs of recovery, including some very significant increases in GDP over the last several months.

In the 2010 budget, revenues are approximately 12% below their level of two years ago. The primary driver of the deficit has been the reduction in tax revenue. As you have had an opportunity to read in the province's 2010 budget, there is a recovery plan in place that will see the government balance in an appropriate period of time.

I'm going to end my formal remarks there and look forward to questions from the committee that we will try to answer. Thank you.

**The Chair (Mr. Norman W. Sterling):** We normally give the NDP the first crack, but since they're not here, are you ready to go, Mr. Shurman?

**Mr. Peter Shurman:** Thank you, Deputy Minister. It's interesting listening to you. I have absolutely no doubt that you understand absolutely everything you told us. I'm just a simple MPP, a reasonably bright guy, but I'm not an accountant. I am a former businessman and I do know how to read a profit-and-loss statement, and they don't look the same in business as they do in government. In business—I'm not being instructional to

you because you know this as well as I do—I expense things when the bills come in and I write the cheque. What you're telling us, and what we know to be the case, is that things are expensed at the provincial level oftentimes long before monies are spent, because monies apparently are considered as spent when the transfer is effected—let's say, in an example case, to a municipality. Would that be correct?

**Mr. Peter Wallace:** It's unfortunately not an easy yes-or-no answer.

**Mr. Peter Shurman:** I know. That's why I'm going there.

**Mr. Peter Wallace:** If I can take a step back, I may look to the Auditor General to help elucidate or correct any errors I make. I've worked for the province since 1981, and for the majority of that period the province actually operated on a cash, and then a modified cash, basis. In the early to mid-1990s, the province, in conjunction with other provinces, transferred into an accrual accounting structure consistent with the recommendations and directions and policy parameters set by the Public Sector Accounting and Auditing Board, now changed to PSAB with only one "A."

The result of that has been a series of financial and accounting rules that are consistent with GAAP but recognize the unique provisions of governments and the unique role and financial aspects in which governments perform. So you are absolutely right that there is a series of distinct and vitally important differences between the way in which governments account for their finances and the way in which the private sector accounts for their finances. Much of that is driven by the different standard-setting bodies. They are all under the broader purview of the CICA; they all link into the accounting standards and oversight committee that exists at the national level. Those overall governance organizations have recognized the difference between accounting for business expenditures and accounting for public expenditures and have, in fact, put in place mechanisms and balance sheet descriptions and a variety of other things that reflect those differences.

So a certain amount of what you're seeing is just simply the result of the underlying accounting standards and the underlying difference associated with them that reflects, essentially, the principal differences between organizations that run for profit and organizations that run to deliver public services.

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**Mr. Peter Shurman:** I think everybody understands that. I think we also understand the underlying principles in why PSAB set these objectives up in the way that they did, or at least these rules, let's call them, in the way that they did. Our job as MPPs is to go out and explain, very simply, to people whose money we're talking about where it is at any given point in time. That's a little bit harder.

You've talked about measures that you've implemented that demonstrate a degree of, in your words, accountability and transparency. Again, I don't doubt

your words. Where the gap lies here between you and I is that I have to translate that somehow into something that's simple for people who are saying, "Well, where is this money? They said that they were going to do whatever project in my municipality." Maybe that money is in a bank account—probably it is—that belongs to the municipality and maybe it could stay there for years, yet it was spent, insofar as the provincial accounts are concerned, last year. Yes?

**Mr. Peter Wallace:** Absolutely. And unfortunately, the clarion call to make it simple will be where there will always remain a gap, because I will be unable to make it simple. The reason I'm unable to make it simple is because I can't make it simple in the private sector example either.

In the treatment of expenses—and I'm not an expert on private sector accounting, but my understanding is that the basic underlying rules for expensing remain very similar, in terms of the gap, as it relates to private and public sector accounting. When the decision-making body has determined that the expenditure is made, the appropriate accrual is recorded, or when the expenditure is inevitable or the cost is incurred. For example, in a writeoff, in many respects the private sector will account for a writeoff or take an accrual or make an accounting adjustment or book the relevant change even though the transaction may take place at a somewhat later time.

In this case, there is actually a very direct correlation between the transaction, the cash flow and the accounting. What actually happens in a practical sense is that the government makes the decision, whether it's at year-end or at any other point in the fiscal year. The decision is made to make an expenditure. Once that decision is made, it's my obligation and the controller's obligation to ensure that that is appropriately expensed during the time period in which the expenditure is made. So if the government decides to transfer \$500, we account for the transfer of that \$500 because it is out of the control of the government of Ontario's hands. That's how the decision is made.

I realize—

**Mr. Peter Shurman:** If I could just stop you there to try to broaden this a little bit: I think I'm understanding what you're saying, and I think the difference would be, if I were buying a machine in the private sector and that machine cost \$1 million, when the machine is delivered and I write the cheque for the \$1 million, I book it and it shows up in my P&L. That's it. It's pretty simple. If the machine has some life, there may be an accounting principle that utilizes a writeoff over a period of some finite number of years.

In your world, if you allocate funds to some agency, organization, university, city or whatever to buy that same machine for \$1 million and that money goes out the door—and very particularly in the last quarter, let's say, of a fiscal year—but the machine is not bought until next year, sometimes the year after or sometimes never bought, that \$1 million is still booked right then in the fiscal year when it went out the door. That's the difference, I think. Am I understanding this correctly?

**Mr. Peter Wallace:** You're right, but I need to come back to a couple of the critical points of the example itself. You're right that what PSAB and GAAP require us to account for is the transaction as it reflects on the government of Ontario. So the government of Ontario has spent the money. We have to record the transaction at the time at which the government has made the decision to spend the money.

Your example talked about if the funds were never spent or if the machine was never bought. In that case, and the reason I went through those—and I apologize for the denseness of my early remarks—is to give members of the committee some assurance that if the money is not used for the purposes for which it is intended, the government continues to have control mechanisms by which it can retract that money from the grant recipient, which is a little bit different than a private sector treatment. While we account for the money in a GAAP sense and in a PSAB sense at the point of the transaction and the point of decision, we do not rid ourselves of all accountability for that. That remains public money. The Ministry of Finance or whatever ministry is responsible for the grant will continue to monitor and hopefully ensure that the money is spent as required and, if it's not, then take the appropriate steps to either bring it into compliance or recover the funds.

I'm just going to pause and look to Bruce Bennett, the provincial controller, and make sure I have that factually correct.

**Mr. Bruce Bennett:** Yes; in simple terms, the deputy has it correct. The only thing that I would add is: The major distinction between private sector and the public sector in the example that you used was, in the private sector they have what's called an exchange transaction which occurs. In other words, you're providing funds for a service that's been delivered or a good that's been procured, and so it's recognized at the time that the exchange transaction is finalized. In the case of the public sector, we are providing grants, so it's not an exchange transaction; it's a one-sided transaction, where the government is providing grants to an agency or another municipality, in which case, the way the accounting works—which is unique, you're right, for government—because there's no exchange occurring, there are specific rules that tell you when you recognize it, and it's basically recognized at the time that the government decision is made to provide that grant. At that time, it is booked on our books, and there is often a lag, as the deputy said in his opening remarks, between the time the grant is provided and the cash flows to the recipient and the recipient uses it for the intended purpose. That's why, in the government case, we've added and strengthened the accountability mechanisms so that we can track and monitor the use of the funds to ensure they were being used by the recipient in accordance with the requested purpose and the intent of the grant.

**Mr. Peter Shurman:** The explanations you provided are a lot more clarity for me 10 minutes into this thing. I think at this point what I'd say is, if I were speaking for

the public that I represent, there's a Y in the road and there are two directions that I'd like to follow. One is a short and simple question, and the other road goes to accountability.

The short and simple question is for all of you. Wouldn't you believe that the public that doesn't do your job every day—or, for that matter, my job every day—would say that there appears to be a bit of an element of deception in final quarter expenditures? In other words, we've all heard that expression, "Let's get the bucks out the door. Let's do that." Right now the government of the day is Liberal, but governments over time have gotten money out the door at the end of the year because, "Hey, we have this budgeted. Let's make sure that we move it." Then the accountability comes in. So let me just make that question simple again: Isn't there perceptibly an element of deception in getting the bucks out the door in the last days?

**Mr. Peter Wallace:** I'm going to try to answer the question as directly as I can. A lot of the "get the money out the door" issues related, in my view, historically, to a cash basis of accounting in which, on a cash budget, you would end up with a certain amount of resource at the end of the year and "use it or lose it," and you'd be tempted to go off and buy furniture or lunch or something else just to reduce the cash balance and fix that problem. I think governments have made a huge amount of effort over the past 15 or so years to work against that, and I think we've been increasingly successful. I think the adoption of PSAB and accrual accounting have greatly reduced that incentive, and there's a much more stringent set of accountability measures at the provincial level, at the federal level and, I would hope, at the municipal level that would greatly reduce that temptation. So I think in terms of much of the historic kind of "use it or lose it," which I think drives a lot of potentially very bad behaviour, we have been able to offset that.

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In terms of the broader nature of the question, the controller's function within the Ministry of Finance, in conjunction with our partner ministries, including the Ministry of Energy and Infrastructure, try very, very hard to ensure that government policy intent is captured and fairly represented in the underlying budget and then, critically importantly, the underlying financial statements representing the financial position of the government of Ontario. We obviously believe, and the Auditor General has obviously confirmed through the "clean" opinions on the public accounts, that they represent, in all material respects, a fair representation of the underlying financial condition of the province. As the deputy of finance, I obviously provide advice to the government of the day. You're right: We have had many governments of the day. I provide advice that's consistent with fair and disclosive treatment of the financial position of any government.

**Mr. Peter Shurman:** Let's just take a couple of minutes and hit accountability, which I'm sure my colleagues here will want to talk about as well.

You've talked about a number of measures that have been introduced, particularly over the last recent period

of several years—websites and so forth where you can track infrastructure investments and so forth. That's all well and good. Can you tell me, if I ask you, today or relatively easily and in a short period of time, how much total infrastructure funding, for example, is out there at this point, and, percentage-wise, how much has been spent? Can you make that statement right now in terms of accountability?

**Mr. Peter Wallace:** I'm going to look to my colleague from the Ministry of Energy and Infrastructure to offer some direction on that.

**Mr. Bill Hughes:** I would say a couple of things in response to that question. If you asked me today exactly how much infrastructure has been spent so far this year in 2010-11 on a rolled-up basis—what's the total amount spent so far—no, I can't answer that question because, the way reporting works at the government level, we ask ministries to report quarterly through treasury board. After the first quarter has rolled by, then, yes, I would be able to answer that question, and again at the end of the second quarter. However—

**Mr. Peter Shurman:** What about if I asked you about 2009?

**Mr. Bill Hughes:** Absolutely; for 2009 we published it. So it was \$12.9 billion.

**Mr. Peter Shurman:** Twelve point nine billion. Can you say, out of the \$12.9 billion, what percentage that you know for a fact has been spent, and particularly on the projects that were envisioned?

**Mr. Bill Hughes:** All of it.

**Mr. Peter Shurman:** All of it has been spent and reported upon?

**Mr. Bill Hughes:** Let's see: 2009-10—

**The Chair (Mr. Norman W. Sterling):** When he says "spent," I don't think he's talking about on your books; I think he's talking about on projects.

**Mr. Peter Shurman:** The projects.

**Mr. Bill Hughes:** Oh, I see. Okay. Sorry. Let me give you a practical example. We gave the city of Hamilton \$100 million for their Woodward Avenue sewage treatment plant, I think it was. That money has not yet been spent, but it will be. There's a contribution agreement. So if you're asking me, "Is there a portion of the money in 2009-10 that has yet to be spent because we've transferred it to our municipalities or others?" then the answer to that is yes.

**Mr. Peter Shurman:** Do you know the percentage? Because I think one of the focal points that we're looking at here today, and what the auditor's report talks about, is money. We're talking about hundreds of millions of dollars—indeed, it could be billions—that are sitting in accounts here, there and everywhere—I don't mean that we don't know where it is, but here, there and everywhere—that on your books has been expended, but on somebody else's books is sitting there as a balance to be spent and, further, in the auditor's report, ultimately, could even have been, in past times, spent on other projects or used, in one case, as a municipal contribution to a one-third, one-third, one-third infrastructure project

where, really, that wasn't municipal money at all; it was provincial money seconded to a municipality for some other purpose. That's where we're going with this. So your comments on that would be useful.

**Mr. Bill Hughes:** There are accountability measures in place now that are quite robust that allow us to ensure that money intended for a specific project is spent for that purpose, and if it's not spent for that purpose, then we can retrieve the money.

You're right that, in times past, as the deputy was saying, when we lived in a cash world and before the Auditor General's report in 2007, which led to a strengthening in the accountability provisions around these types of grants, it's possible that we would not have been able to track how the money was spent exactly. That doesn't mean the money wasn't spent properly; it just means we don't have a record of how it was spent. Now, though, we do. So, for example, for all of the grants that the Auditor General mentioned in his report, we are getting reports over time. There are different reporting regimes associated with each type of grant, but we're getting reports over time that show us, first of all, how the money has been spent, and secondly, how much has been spent so far in most cases. That risk has essentially been managed away.

**Mr. Peter Shurman:** What kind of a time frame are you looking at in terms of your expectation? You allocate the funds, they're recorded as "spent" on your books, and they go into Hamilton's accounts for the sewage treatment plant, for example, or any other city, agency, university, whatever it happens to be. Over what period of time do you expect to see action? And relate that period of time to the ability that you point out you have now to recoup.

**Mr. Bill Hughes:** Let me give a slightly different example to try and drive it home. As the deputy was saying in his opening remarks, it does sometimes take time for these grants to roll out. In the Auditor General's report, he mentioned \$200 million given to universities as a year-end investment in 2007-08. We're now a couple of years later, and the question, how much of that money has been spent? The answer to that is: 76%. What I would add to that is that six months before that, an additional \$200 million was given to universities and colleges for essentially the same sort of purpose through the fall economic statement, so you might ask the question, "How much of that has been spent?" The answer to that question is 96%. So you can see, as time rolls on, these monies do get spent. It does take institutions—

**Mr. Peter Shurman:** I don't doubt that for a minute; I'm just wondering where you start to push the buttons. By that I mean, when do you say, "Hey, this isn't moving in a time frame that we had imagined"? I don't know what that time frame is; I'm looking to you to inform me as to what it is. When you talk about the ability to recoup monies that are unspent, at what point does that button get pushed? When do we get the money back if it's not being used for what it was intended for or if it's not being used at all?

**Mr. Bill Hughes:** I would have to answer that in different ways for different programs. It's program-specific.

**Mr. Peter Shurman:** Give us some examples.

**Mr. Bill Hughes:** I will. I'll give you the worst examples first. How about that?

**Mr. Peter Shurman:** Sounds great.

**Mr. Bill Hughes:** Two programs: The municipal infrastructure investment initiative was a \$450-million program. That program requires that municipalities report every year, at the end of the fiscal year, on how they're doing with their infrastructure projects. What it doesn't do is require that they report how much they've spent so far or a specific time frame. So if we were doing that one again, we would probably ask for that kind of information. But the fact of the matter is that we know that about half of those projects are already fully complete and some portion of the remainder are already fully complete, but they haven't been reported on. I can read you examples, except it would probably be boring, from my notes that give examples where 90% or 95% of a project has been spent under that program but they haven't reported any dollars because it's not 100% spent. The difficulty with that program is that you don't get reporting until you've got 100% spending.

I'll give you another example. Municipal roads and bridges: another one identified by the Auditor General in his report. That was \$400 million for municipal roads and bridges. On that one, we have, so far, 78 reports in from municipalities. There were 442 municipalities given money under that program; we have 78 reports in so far. Of those 78 reports, the municipalities are all reporting that they've spent all the money. The issue there—and if we were doing this one again, our Minister of Transportation would probably do it a bit differently—is that they don't have to report until they've spent the money. They do have to report, but not until they've spent the money.

Those are the most difficult of the examples that I can offer. Others, though: We have annual reporting where they have to report the amount they've spent, so social housing, another one identified by the Auditor General—\$100 million. That one is well over 90% spent; I think it's 93%. That one, they report annually, and we get expenditure information. So it varies by program.

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**Mr. Peter Shurman:** Thank you. Let me ask the deputy minister this question: Given what the auditor's report demonstrated, which has resulted in us holding this hearing, would you say that if he were to go at it again and report again, you have plugged the holes that were isolated in that report with the measures you have set out before us today?

**Mr. Peter Wallace:** I want to give a bifurcated answer, and I need to seek one—

**Mr. Peter Shurman:** A what?

**Mr. Peter Wallace:** I want to go down two roads on this.

**Mr. Peter Shurman:** Good.

**Mr. Peter Wallace:** I need to confirm what the question you're talking about is relative to. When you say "the auditor's report," you're not referring to the 2008 report or the report released in December 2009; you're referring to the earlier reports.

**Mr. Peter Shurman:** That's correct. I want to know, if we were to do this for 2010, whether we would find the same types of things.

**Mr. Peter Wallace:** My understanding is that we have put in place and rigorously enforced with ministries, and the ministries have enforced with transfer payment agencies, the appropriate accountability criteria. So, yes, there is a full expectation that a review audit would be a clean audit in terms of those transactions.

**Mr. Peter Shurman:** Thank you very much. Sir?

**Mr. Bill Hughes:** A key change is the introduction of a public, Internet-based reporting site for all the infrastructure stimulus projects—that's over 5,000 projects. You can go and look at the ones in your neighbourhood—anybody can go and look at the ones in their neighbourhood and see how they're doing.

**Mr. Peter Wallace:** The second area I wanted to explore is slightly different, and it relates back to the original question you asked about the difference between private and public sector accounting and the need for simplicity. We have been unable to bring simplicity and clarity to this, because it's not simple or clear and relates, as all these things do, to the intricacies of accounting.

But there is a parallel between the private and public treatment of significant expenditures. In the private sector, using the business analogy of a machine, when we transfer money, we are sometimes effectively buying a machine or providing the resources to a transfer payment agent to buy a machine. That machine is oftentimes paid for with warranty provisions and other things that require it to work and get our money back if it doesn't work. But the machine may oftentimes be expensed years before it is actually fully operational or provides the economic benefit the company has purchased. There's a parallel here with a public expense, where we're providing an agency with the capacity to buy a machine, a road or a bridge, knowing that the full benefit of that will not be realized for some period of time.

I believe that to be an economic and an accounting parallel between a private sector transaction, where a major capital investment—whether it's in a building or a complex piece of machinery—may take a considerable period of time before it comes to fruition, and for which there is oftentimes a very long recovery period. The contact will provide a very long recovery period in which, if the money is not spent appropriately or there is a warranty failure or something like that, there is recourse. I think this is an analogy between where we've provided the money, made the expense and accounted for the expense appropriately, but continue to have both a lag in delivery of the service but also an ongoing accountability mechanism. I look to Bruce to confirm that that analogy is broadly correct.

**Mr. Bruce Bennett:** I think that is correct in the sense that we are primarily providing investments for capital and capital infrastructure, and the service benefit to the public, if you want to look at that, goes over a very, very long period of time. So when the government is making this investment, it isn't doing it directly, like a private sector business would; it's giving it to agencies, municipalities or others who are making that investment with the intent that that investment delivers service to the public over many years in the future. So if you look at the first part of it, it's the lag between when you complete the project so it can actually be open for service—there is a lag time in that in the private sector and in the public sector—but in the end, the public policy objective is to provide certain specific service benefits to the public over a long period of time. All you're seeing is a little more complexity in the public sector, where there's a chain of provision of the investment through a number of steps before you get to that end delivery.

**Mr. Peter Wallace:** We are seeing exactly the same complexity emerge in the private sector with the increased use of subcontractors or the increased use of service delivery contracts that are often paid for up front, and then the service is delivered over a period of time. In fact, a subcontractor may well delay the flow of funds to the ultimate recipient.

**Mr. Peter Shurman:** Let me say that through your use of analogies and your explanations, you've got me on side in terms of my understanding of how you do what you do and why you do it that way. However, let me also note that you haven't made it any simpler for me to go out to my constituents and explain this.

**Mr. Peter Wallace:** For that, I apologize. It is kind of the world I live in.

**The Chair (Mr. Norman W. Sterling):** The big problem with your analogy is that the government writes a big cheque to somebody before that service is ever provided. You write the cheque on March 31 or prior to March 31, the service isn't there for half a year, and somebody else has the dough. Very few businesses in the world would operate on those kinds of principles. You're giving somebody else a front end of cash prior to the service being provided.

**Mr. Peter Wallace:** I do need to spend a moment on this, and it is important, because it's a good and well-phrased question. I need to stretch the analogy a little bit and spend a moment on it, because I do believe there is actually more consistency in terms of private sector practice and public sector practice. To be very clear, the public sector practice we're talking about here is consistent with the practice of the government of Canada, consistent with the practice of other provinces and consistent with the practice of the government of Ontario since the introduction of accrual accounting in the early 1990s. So it is consistent over time—

**The Chair (Mr. Norman W. Sterling):** But they all have the same bad motives, from my point of view.

**Mr. Peter Wallace:** What I do need to explain—and I don't want to say that these are not legitimate questions, because they are absolutely incredibly legitimate ques-

tions as they relate to accountability. But in terms of accounting for the money, it is an ordinary practice for a business to pay a bill and to account for the payment of the bill before it receives the benefit from that. A business will flow money to a contractor, in many cases years, before the building is built. It will flow money to a service provider, who then engages the contractor. In fact, it may well pay the service provider in full, subject to performance criteria and later access to recourse. But this is absolutely a common practice across all the public sector in Canada with which I am familiar and, to the best of my knowledge, a common practice in business.

**The Chair (Mr. Norman W. Sterling):** But they book the asset. They have an asset against the money they're forwarding it on. That doesn't happen here, because you're a different entity.

**Mr. Bruce Bennett:** I think you've got to go to two circumstances, one of which is for those organizations we control, which are often our biggest transfer payment recipients, like hospitals, school boards and colleges: We effectively do record it as an asset on our books. So a lot of the bigger definition of "government" now under PSAB accounting does recognize the very concept you're referring to, so we end up capitalizing a very large proportion of all investments in those particular sectors that are capital in nature.

The ones that are given to a different level of government, like municipalities, which have their own governance structure, their own accountability structure in place, we do treat as expenses in the year. But in concept, you're passing that, just like the government of Canada passes money to the provincial government, who pass money to a municipality. There is a governance and a public accountability structure in place in that municipality and a responsibility for spending the money wisely.

**Mr. Peter Wallace:** I also think it's really important to consider for a moment that the reason that PSAB and GAAP established the rules they did is that in the alternative scenario, we could make a financial commitment that extended over a number of years and not account for it. So you could have political announcements or policy directions or a guaranteed flow of funds that then was not accounted for in the books, or accounted for in a misleading way so that they would never appear. What's really important is that we ensure, from a public policy controllership perspective, that there is a match between the commitment of funds and the reporting of funds. That's a core aspect of public sector accountability.

**The Chair (Mr. Norman W. Sterling):** As the Chair doesn't ask questions in this committee, I'll ask Ms. Sandals to go ahead.

**Mr. Peter Wallace:** If I had known that, I wouldn't have answered. Can I take it all back?

*Laughter.*

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**Mrs. Liz Sandals:** I'm going to follow along this track. The auditor and I had this conversation before, that I'm not always convinced that sometimes accounting doesn't get in the way of good management.

Let me give you an example which actually comes from my school board days, when as a school board we would flow to each school a school budget for operating—not for salaries or big stuff like utilities, but for ongoing operating expenditures at the school level. When I was first a trustee, it was "use it or lose it." If you hadn't spent it by year-end, it got clawed back to the board. Of course, what we would see is, as year-end approached, principals making expenditures on things which were not necessarily the wisest expenditures or the best use of money. So we changed the practice to, "If you've got money at the end of the year, you can actually keep it and augment your next year's account." What we started to see then was that people would start to consciously think about, "Here's something that I don't have enough to buy in any one year's operating budget, but if I borrow a bit from two or three years' budgets, I can save up and buy this bigger thing," whether it was a new photocopier or new math texts for everybody in grade 6 or whatever. People were actually doing a better job of managing the money because the accounting rules didn't get in the way.

Then I come forward to MPP, and this may be more a few years ago, before we were consolidating everything on the books, but you would get the sort of February flow of money to somebody, and this might be—well, it could be small capital or something, some agency, but it needs to be spent by the end of March. They would be saying, "We could actually spend this better if you would let us stretch it out." Maybe this is now that they are consolidated, but it's this business of, "We could do better if there wasn't a deadline by which we have to spend something."

That maybe extends to these big infrastructure things that we're talking about where in fact the behaviour that we want to incent in the public sector is that you sit down and do your design and detailed specifications very carefully and thoughtfully before you go to tender, then you go through a proper procurement process, and then you spend the money, and, of course, it being Canada, winter happens. But again, the proper process may be a longer process than putting fiscal-year deadlines on it.

I'm wondering: If, for example, the Auditor General were to be having a conversation with other Auditors General or PSAB committees or whatever, how could we change the rules we're working in now, which are better than the rules we were working with a few years ago, to actually incent good management behaviour in addition to proper accounting? I realize you folks are all in charge of the accounting, but you also have an interest in making sure that taxpayer money is well spent. Is there a way in which we can improve the accounting rules so that we are actually improving management behaviour at the same time?

Sorry to lob that one at you, but I think that's actually what's maybe bugging everybody, to put it bluntly.

**Mr. Peter Wallace:** I'm going to take three tracks in trying to answer the question. I think you've raised three—

**Mrs. Liz Sandals:** Does that make it trifurcated?

**Mr. Peter Wallace:** It does; that's exactly right. I should be more careful with my language.

I think the first is the notion—you talked about procurement and other aspects. I think governments across Canada have made significant realizations and subsequently significant strides in working to tighten up the management practices associated with procurement. That's an ongoing priority and one that needs to be carefully watched. It does take more time. It is more complicated. It does sometimes impair the immediate achievement of a public policy good, but it is, on balance, absolutely the right way to go. That's a management practice largely divorced from the accounting principles—not entirely, but largely—that needs to remain a priority and is a huge priority in the government of Ontario and in the government of Canada, the two with which I'm most familiar.

The second issue relates to the way in which we design and operate our budgets and the issue, in particular, of annual budget cycles and the ramifications of that. Governments around North America operate largely on an annual budget cycle. That provides discipline. It provides a very high level of public accountability. It makes things, believe it or not, much more simple than it otherwise would be in terms of public reporting, but it does have a significant issue: Projects themselves are oftentimes multi-year and it becomes very difficult for organizations to address multi-year priorities over an extended period of time, particularly for those programs that have significant peaks and valleys in them. It works very well for programs that are steady, but significant peaks and valleys can oftentimes remain a significant issue.

So an ongoing conversation around how we manage public finance and articulation of the benefits and challenges of multi-year planning—not only multi-year planning, which we do quite effectively, but multi-year budgeting—is a critical aspect.

Then you asked a question about the accounting of it. There are always instances in which accounting or rules do impose distortions on behaviour, particularly delays and a variety of other aspects, and we do have to be vigilant to remaining both within the rules but also the intent of the PSAB and GAAP mechanism. That has to remain a priority from a controllership perspective, a capital perspective, or an overall planning and budgeting perspective.

We also have to recognize, though, that accounting isn't a static process and it is evolving. One of the interesting things that we're seeing the evolution of right now is a shift in private sector accounting standards that is driven by regulatory reforms that are reflective of some unique problems the private sector has had. While in many respects we think of the private sector as straightforward, the reality is that private sector accounting is heinously complex. In fact, the private sector accounting treatment is no small part of the asset bubble and experience in the US and other international economies in terms of how things are measured and accounted for

relative to the true value being discovered in a market concept.

The reforms that are coming forward to address that in the private sector are, to some extent, linking into the public sector, and they may not be appropriate mechanisms because of the different values and purposes. So as we explore the broader construct of public sector accounting, it is complex and difficult at this point. It has the potential to become more complex and more difficult if we allow it to do so.

I know that Bruce Bennett and I, along with other deputies and controllers from governments across Canada, have put some considerable effort into an ongoing dialogue with the Canadian Institute of Chartered Accountants, the overall standard-setting body for the accountants' profession, and the representatives of the PSAB body in order to ensure that the very practical business requirements that governments face on a day-to-day basis are not unfairly distorted by accounting principles.

That does remain a risk, and while I think we're not in a bad place now—not simple, but not in a bad place—it is something we need to continue to monitor. It's a concern across the country, and we've partnered with British Columbia, Quebec and other provinces in order to have that dialogue at a senior level and make sure that the transparency of public sector finances is improved rather than impaired over time.

**Mrs. Liz Sandals:** I think we've got a lot of time left. I have just one other question before I turn it over to Mr. Zimmer.

One of the areas that has obviously received a lot of public attention is—because there has been so much going out the door in terms of economic stimulus—the provincial and federal infrastructure. I think the point when the auditor was doing the report was fairly early in the cycle of this money going out the door.

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From the perspective of now as opposed to many months ago, could you give us an update on what in fact is actually happening around the accountability for that, both in terms of Mr. Shurman's simple communication with the public, because I think you've got more of that information up on a website now, but also in the behind-the-scenes accountability pieces, to make sure that that money is spent the way we want it spent?

**Mr. Peter Wallace:** I'm going to try and deal with the question from a policy-intent perspective. Just fair notice to Bill: I'm going to ask you to address the quantitative part.

From a policy-intent perspective, the government of Ontario formed a view of policy perspective in the first quarter of 2009 that that significant stimulus was an appropriate mechanism for the Ontario economy. Not coincidentally, on the face of the same evidence and the same fiscal pressures, the government of Canada reached a similar determination.

There was a period of very constructive federal-provincial dialogue between us and the government of

Canada and other provinces, but particularly between us and the government of Canada, that resulted in an integrated and, to a considerable extent, seamless stimulus package rolling forward that involved the senior governments providing very significant resources largely into the broader public sector, with a considerable amount of that into the municipal sector as well.

From a policy intention, the intent was to provide significant stimulus for the duration of a period of economic downturn. While we are on the road to recovery in terms of statistical gains, it's important to remember that the Ontario economy remains below the level it was at in 2008. The level of jobs remains below the level it was at. It is vitally important that stimuli continue to roll through the economy. That's a judgment made by the government of Ontario. It's exactly the same judgment made by the government of Canada. The policy practice we have put in place of providing stimulus to the municipal and other areas of the broader public sector is, in policy intent, in accounting treatment and in accountability provisions, very closely aligned to that of the government of Canada.

As we look at it from an economic perspective, that integrated thrust is hugely important in terms of not only the provision of money but the fact that the money provided in 2009-10 continues to have a positive impact, and the money we're providing now, for 2010-11, will continue to have a significant construction, job creation and ultimately economic benefit tail associated with it. That tail matches nicely with the expected duration not of the statistical recession, which is only the period of down, but with the very long hangover—I should use better language—the very long period in which the economy remains below the potential or the track it was back in 2008.

We should remember that this is a recession that existed in Ontario almost exclusively as a result of weakening US demand. Canadian demand—the things influenced directly by governments in Canada—remained relatively strong. It's essentially a stopgap, or a stimulus package, to carry us through until appropriate US recovery takes place.

I'd like to ask Bill to speak to the quantitative aspects in terms of where we are, relative to the stimulus programs.

**Mr. Bill Hughes:** Sure. Maybe I'll also take a kick at the accountability part of the question.

We have about \$6 billion in infrastructure stimulus spending over two years. Over 5,400 projects have been approved. Over 3,100 of those are either under way or complete. The portion that's complete is about 840 projects; I've got 840 projects that are already done.

In terms of accountability, we have put a number of measures in place. The first thing we did in Ontario—this is something that was a government choice. The government decided to run an open intake process for all of these stimulus programs for the municipal and non-profit portions of the stimulus programs. No other province did that. That's part of being open, transparent and accountable about how you receive the applications and give everyone a fair shot at applying. Other provinces often

went to previous competitions they'd had for different infrastructure programs and pulled applications out of those, or negotiated with the federal government or whatever. They followed their own path, whatever they thought was appropriate. But in Ontario, we ran open, competitive processes for the stimulus programs.

The second thing that we did was, we negotiated agreements with the federal government. So for all these different programs—and there are lots of them; I could talk about all the different programs and, I'm sure, bore you to tears—we negotiated an overarching agreement with the federal government, which included pretty extensive accountability provisions between them and us. Then what we did was we took the provisions in those overarching agreements and translated them into contribution agreements, which we had with all of the municipalities and others who received funds. The federal government was not a party to those agreements; those agreements were just between Ontario and the recipient. But the Canada-Ontario agreements had a very major influence on the content of those contribution agreements, ensuring that there were lots of accountability provisions in place.

Another thing that we did to try to make sure the accountability worked was, rather than keep the delivery of these programs centralized, which was an option since we have a centralized capital planning process in Ontario, we instead divested the responsibility for delivery to the line ministries that were closest to the sector involved, that knew the sector the best and would be best able to monitor how the projects were proceeding.

We also had quite strict tracking and reporting requirements in all of these contribution agreements. So rather than having to report every year or every six months or whatever, we now ask people to report monthly. As I mentioned before, we now have a public reporting and tracking website, and we update monthly, based on the reporting that we get in from the recipients on the progress of their stimulus projects.

Maybe I'll stop there.

**Mrs. Liz Sandals:** Thank you.

**The Chair (Mr. Norman W. Sterling):** Thank you. Mr. Zimmer?

**Mr. David Zimmer:** Almost a mechanical question: On page 1 of the auditor's report, under the "Background" there, there are two bullet points and then a comment underneath. The comment says, with respect to the concerns—that is, the unspent grants and so on—that the auditor was pleased to report that in 2008, after working with ministry officials, they agreed on a number of accountability and control provisions to address his concerns.

My question is, can you tell me what those control provisions are and how they work? That is, how do you keep track of your grant recipients? How do you audit them to make sure they are doing it? What's the actual process there?

**Mr. Peter Wallace:** I'm going to ask Bruce Bennett, the provincial controller, to provide the response to that question.

**Mr. Bruce Bennett:** You've asked a question with a couple of aspects to it, but I'll first go back to the discussions we had with the Auditor General back in 2007. At that time—and I think building on the question that Mrs. Sandals raised—there was a question of interpretation of accounting, and was it conflicting with good, sound accountability? A really important element of concern to myself, as controller, and as well to the Auditor General, is that we want to make sure, ultimately, that we have value for money and that there's as much congruence as possible between how the accounting rules interrelate with ensuring that we're achieving the policy objectives of the government and value for money for taxpayers.

So we sat down after the experience and came to an understanding of exactly how we could interpret the accounting, what provisions could be attached to these grants that would not conflict with the accounting rules of PSAB. We also looked at it in terms of whether the cash had to go out the door before the end of the year, or could we accrue forward and the cash go out at a later period? So after that review, we got a joint understanding within the PSAB bounds of how we could apply the accounting standards and improve accountability. There was a significant shift at that time.

The things that were brought in, and it may be amazing to you today, but the things we didn't have before that time were a real, specific definition of exactly what was the purpose of the grant—before that, it was just sort of a general intent—a very specific definition of the purpose for which it was to be used and what types of expenditures were eligible. We could even put on specific output expectations of services that could be delivered.

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**Mr. David Zimmer:** I appreciate all of that, but how does that play out in facts? There's a chunk of money that has gone to some organization in northwestern Ontario, another big chunk has gone to various places in the MUSH sector and so on. How do you actually track what they're doing? Do you have an auditor who shows up on a random audit at their office and says, "Show me what has happened to the money"? How does that work?

**Mr. Bruce Bennett:** One of the second aspects we added was report-back requirements. I think the first tracking is an obligation on the recipients to report back on a periodic basis. As Mr. Hughes has highlighted in some of his examples, depending on the particular program, that reporting is more frequent. As time has evolved, we're demanding more frequent reporting as the programs have evolved. So the first obligation is on the recipient to report back, in accordance with the contribution agreement that has been reached with them, on just how the progress has gone against the intent.

Then, there have been specifically put in, under the transfer payment accountability directive which was put in, obligations on the ministry, which is responsible for those grants, to monitor and track those particular reports and an obligation to take actions in accordance with

them, if they're not receiving the reports, to follow up and track with the recipients.

Ultimately, the key thing is that, at that stage, we have options under the contracts to send an auditor in if there's concern of how it's being taken. That's the government's option, to send in an auditor to determine just how the money has been spent: Has it been spent in accordance with the intent?

The final lever we have is the ultimate lever. If, as a result of the audit and all the discussions, we determine that it hasn't been spent, we have the right to actually recover the funds, whether it has been spent on the wrong purpose or hasn't been spent for the intended purpose.

**Mr. David Zimmer:** Do you have any information about the default rate of these recipients reporting back? How many are in arrears of their reports of what they've done with the money? Do you have any information on the number of times that you had to send someone out to check the books? Do you have any information on how many times you've actually said, "Give us the money back"?

**Mr. Bruce Bennett:** I'll turn those over, because those are very program-specific. Maybe I'll ask Bill to answer some questions in the context of the particular programs that he's responsible for.

**Mr. David Zimmer:** What I'm getting at is, is someone actually out there bringing the whip down?

**Mr. Bill Hughes:** As I was explaining earlier, the different programs—here, we're going back to 2007-08 year-end investments. As Bruce was saying—

**Mr. David Zimmer:** I'm interested in what has been happening since the auditor said that he's pleased to report that there are new—so let's let bygones be bygones.

**Mr. Bill Hughes:** I'll just speak for a second about the 2007-08 ones. To respond to your initial question, there is actually, to the best of my knowledge, no one who's in default in terms of their reporting. As far as we know, everyone is meeting the reporting requirements that were put in place for those grants.

In terms of what's happening now, we have, as I was saying, pretty strict reporting requirements under the various stimulus programs. Municipalities and others are reporting. There have been instances where the line ministries have to chase them for their reports. That's normal. When you have thousands of projects, sometimes people are not going to get their report in on time.

For example, the Ministry of Agriculture, Food and Rural Affairs is delivering many of the programs on our behalf, and so they have program analysts who are able to go out and follow up with individual project recipients who might not be reporting. It's the same thing with the Ministry of Municipal Affairs and Housing. It's looking after the social housing programs. They can follow up with the municipal service managers if there are any issues with the reporting.

The thing that has changed, and this is actually thanks to the Auditor General's report—the thing that really focuses people's attention is the website. If you're

putting information up on a website and it's your information, whether you're the line ministry responsible, the municipality responsible or the university responsible, it does tend to focus the mind when your own stakeholders, staff, community members or whoever can go and look at how your particular—

**Mr. Peter Wallace:** Finance deputies.

**Mr. Bill Hughes:** Finance deputies: yes, absolutely. Yes, finance deputies can go and look at the project and ask questions. If it doesn't make sense to them—for example, if somebody is saying that their project is 50% complete and nothing is coming out of the ground, then people can ask questions when they can see it on the website. That has had a real impact, I think, on people's incentive to report and to report correctly.

**Mr. David Zimmer:** Have you had to impose the ultimate sanction of "Give us back the money" on anybody?

**Mr. Bill Hughes:** Not to the best of my knowledge.

**Mr. David Zimmer:** Presumably you'd do it, if it came to that?

**Mr. Bill Hughes:** Absolutely.

**Mr. David Zimmer:** Would asking for the money back be a decision taken by the public service or in conjunction with the minister? How would that work?

**Mr. Bill Hughes:** If we were going to ask for money back, we would go to treasury board and get treasury board approval in order to do that.

**Mr. David Zimmer:** Thank you, Chair.

**The Chair (Mr. Norman W. Sterling):** Mr. Tobins.

**Mr. Peter Tabuns:** Tabuns, Mr. Sterling.

**The Chair (Mr. Norman W. Sterling):** Tabuns. You were already at 25 minutes.

**Mr. Peter Tabuns:** I'll be relatively brief and then Maria can ask her questions.

**The Chair (Mr. Norman W. Sterling):** Okay. Do you want to—

**Mr. Peter Tabuns:** Sure, go ahead.

**Mrs. Maria Van Bommel:** If you don't mind, Chair.

**The Chair (Mr. Norman W. Sterling):** No, that's fine.

**Mrs. Maria Van Bommel:** Thank you. Just really quick: Mr. Zimmer talked about getting the money back. When you do that, is that the actual grant money plus interest? What happens there? Some recipients may have stowed it away for a while and earned a considerable amount of interest on that.

**Mr. Bill Hughes:** Maybe I'll speak to the stimulus programs, because they're the most relevant at the moment.

The deadline for the stimulus programs is March 31, 2011. One of the interesting points of negotiation with the federal government was, if a recipient has not completed its project by March 31, 2011—which they are all obligated to do and they've all agreed to do—what happens? Do we claw back any money?

There are different answers in different provinces. In Ontario, the answer to that is no; we're not clawing back any money. If a municipality has actually spent money,

including the federal and provincial portions, and money is in the ground—the project is happening—we're not proposing to take any of that money back from them.

What would happen, though, is: Let's say they've done—I'll pull a number out of the air—90% of their project by March 31, 2011. At that point, federal and provincial grants stop and the additional 10% of the project is up to them. There's a big incentive for them to finish their project on time.

With the stimulus projects, it's not so much taking the money back as not giving it, if they haven't met the deadline.

**Mrs. Maria Van Bommel:** But if they haven't done anything at all?

**Mr. Bill Hughes:** That's a very good question. If they haven't done anything at all, through the reporting that is happening and the tracking that's happening on the website, we should know way in advance of March 31, 2011, that nothing is happening. One of the conversations we'll need to have with treasury board is what remedial actions the government wishes to take.

**Mrs. Maria Van Bommel:** There is no policy around what would happen on any interest that was earned on the money?

**Mr. Bill Hughes:** Interest on the money? Interest on the money is something the municipality could keep. If a municipality has earned interest on the money—

**Mrs. Maria Van Bommel:** They get to keep it?

**Mr. Bill Hughes:** In most cases—let me back up a step. Unless they've spent the money under the stimulus programs, they don't get money from us. We pay based on progress. They don't have a lump sum from us, under the stimulus programs, that they can just put in the bank and earn interest on. However, there are a couple of wrinkles to that, and I'll do as much of this sort of detail as you want.

**Mrs. Maria Van Bommel:** What I'm really referring to is the year-end stuff, when we actually send them the cheque and they put that into their bank account.

**Mr. Bill Hughes:** Usually what we do in those situations is discount based on the expected interest rate. If they're planning to build a project, say, two years from now and we give them money in advance, we discount based on expected interest and we give them less than we otherwise would.

**Mrs. Maria Van Bommel:** That's what I wanted to know. Thank you.

**The Chair (Mr. Norman W. Sterling):** Mr. Tobins.

**Mr. Peter Tabuns:** Tabuns.

**The Chair (Mr. Norman W. Sterling):** Tabuns.

**Mr. Peter Tabuns:** Thanks, Norm. Brian Tobin ruined my life.

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**Mr. Peter Tabuns:** Most of the questions that I had have been asked by others, so I just have a brief question. I raised this with the Auditor General earlier. You make payments at year-end, and the simple reality is that those will continue in whatever shade of government we have. Those payments are made to municipalities or grant

recipients and shown on our books as expended but, in reality, the impact of those expenditures will come in future years.

Is it possible to make a notation that a portion of the spending is expected to actually have an impact on the economy in following years? If it is possible, can you talk about how we could do it? If it's not possible, tell me what the negatives are.

**Mr. Peter Wallace:** Let me talk about the difference between the budgeting process and the accounting process. The accounting process is meant to be—and it is always challenging to make it—as clear as possible. What we do in the accounting process is, when the significant economic impact of the transaction is felt by the government, that is when we record it. That's identical to the private sector, exactly in the analogy of—we, for example, may provide a grant to a car company to incent the creation of an amount of investment, new jobs or all of those other things. Whether we do that in the first quarter or the last quarter of the fiscal year, the reality is, we will account for that during the appropriate fiscal year in which the economic decision was taken. But the cash flow and subsequently the economic impact of that will be felt for many, many years to come.

One of the unique aspects of public finance, relative—that's all consistent between public and private finance. What is different about public sector finance, though, is that a huge amount of what we do provides a very long economic impact. When we create a new school, when we create a new hospital wing, when we create any of these other things, we would—in fact, investing in children can arguably be found as a different—the operating expenditures. These provide an implicit rate of return to the economy and to the public of Ontario over an extraordinarily long period of time.

In a practical sense, we would footnote the daylights out of public accounts and make them even more challenging than they are right now to read. So I think that the appropriate way, probably, in which to see this is in the budgets. Successive governments have used the budget and the budgeting process to talk about the out-year economic implications of the expenditures contained in a specific fiscal year. But the reality is that all governments, essentially, invest in a way that's quite common among all governments of Ontario and across governments in Canada: with the expectation that there will be sustained economic benefits associated with current-year expenses.

**Mr. Peter Tabuns:** That's it, Chair.

**The Chair (Mr. Norman W. Sterling):** Can I just ask one question? The US government, when they went and did their stimulus program, established a Recovery Accountability and Transparency Board to conduct oversight. The federal government has a special com-

mittee of deputy ministers who are involved with stimulus spending. Do we have any similar structure here in Ontario?

**Mr. Bill Hughes:** We have a couple of things. For all the programs, we have management committees. They involve the MEI, which is the central agency for infrastructure, and whatever line ministries are actually delivering the program, line ministries that have an interest. The federal government also has representatives. So every program has its own management committee.

**The Chair (Mr. Norman W. Sterling):** Do they produce public reports?

**Mr. Bill Hughes:** No, they do not. They just manage the program.

Secondly, like I said, the MEI acts as the central agency for infrastructure, so we have an oversight responsibility, if you like, for making sure that the programs are dealt with in an even-handed and consistent manner.

The third thing, I would say, is that we are in fact being audited at the moment by the Auditor General. We've been audited by internal audit and also by the Auditor General. I think there have been times when we've actually had more auditors working on the programs than we've had actual staff, which is an interesting experience.

**The Chair (Mr. Norman W. Sterling):** That's a dangerous admission.

**Mr. Bill Hughes:** But that helps us to stay on our toes. Like I was saying about websites for other people: When you're trying to deliver programs or a series of programs, there is nothing that focuses the mind like knowing that you're being audited.

**The Chair (Mr. Norman W. Sterling):** There being no further questions, I'd like to thank you all for being here and discussing this topic with us.

Just before Hansard goes—thank you very much for your help—I need a motion to approve the budget, as presented.

**Mrs. Liz Sandals:** I can do that. Peter seems to have disappeared.

I move that a budget of \$30,700 be adopted for the Standing Committee on Public Accounts to attend the 2010 annual conference of the Canadian Council of Public Accounts Committees in Quebec City.

Should I put in there “a maximum budget,” or is that the budget, which inherently is a maximum?

**The Chair (Mr. Norman W. Sterling):** That's the budget.

**Mrs. Liz Sandals:** Okay. Then just as I read it: “I move that a budget of \$30,700....”

**The Chair (Mr. Norman W. Sterling):** Discussion? Carried.

*The committee continued in closed session at 1353.*

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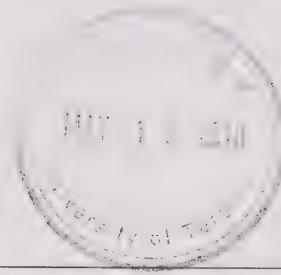
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## Assemblée législative de l'Ontario

Deuxième session, 39<sup>e</sup> législature

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Wednesday 5 May 2010

# Journal des débats (Hansard)

Mercredi 5 mai 2010

## Standing Committee on Public Accounts

2009 Annual Report,  
Auditor General:  
Ministry of Community  
and Social Services

## Comité permanent des comptes publics

Rapport annuel 2009,  
Vérificateur général :  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTS

Wednesday 5 May 2010

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
COMPTE PUBLICS

Mercredi 5 mai 2010

*The committee met at 1234 in committee room 1, following a closed session.*

2009 ANNUAL REPORT,  
AUDITOR GENERALMINISTRY OF COMMUNITY  
AND SOCIAL SERVICES

Consideration of section 3.09, Ontario disability support program.

**The Chair (Mr. Norman W. Sterling):** Good afternoon. My name is Norm Sterling. I am the Chair of the public accounts committee. Today, we are considering section 3.09 of the 2009 Auditor General's report dealing with the Ontario disability support program.

Today we have with us the deputy minister, Marguerite Rappolt, of the Ministry of Community and Social Services. It's normal for us to ask for comments before—and if you would like to make some comments and perhaps introduce the two gentlemen who are sitting with you.

**Ms. Marguerite Rappolt:** Good afternoon, everyone. With me are my colleagues: to my left, Alex Bezzina, who is our assistant deputy minister, who oversees the operations division for ODSP; and to my right is David Carter-Whitney, who is our assistant deputy minister responsible for social policy development within the Ministry of Community and Social Services.

We're very happy to be here today to provide information to you on the ministry's response to section 3.09 of the 2009 AG's report regarding the Ontario disability support program, known as ODSP.

Let me start by acknowledging the Auditor General for his work and his team's work. The ministry welcomes the advice we've received on how we can strengthen delivery and oversight of this important program. As usual, he and his staff were thorough. Recommendations were very well considered. As well, as a deputy who came into this process partway in August 2009, I have to acknowledge my pleasure with the open and very co-operative relationship between the Auditor General's team and my ministry's staff. So I want to thank everyone for that. I think the public interest has been well served by that.

I also want to take a moment to thank all of our staff in ODSP offices throughout Ontario for their commitment in responding day to day to the real needs of the

ODSP clients, and their continuing co-operation and drive to make our system work better for the people who need it most.

I can't emphasize enough the ministry's strong commitment to addressing the recommendations in the auditor's report. You have received our summary. The ministry has developed an action plan associated with each recommendation, and it's something that I pay attention to, and each of my colleagues here does as well.

Before I talk about the steps the ministry is taking to address the auditor's concern, I'm going to begin with some brief context regarding the Ontario social assistance programs. As you know, Ontario has two major social assistance programs. Ontario Works, which is intended for those who demonstrate financial need, which is generally very responsive to the unemployment rate in Ontario—you will all know that in your local constituencies. Since the start of the economic downturn in October 2008, the Ontario Works caseload has in fact increased by 29%, adding 56,000 cases to our overall workload. And the ODSP provides financial assistance and employment supports to persons with disabilities and their families. The ODSP caseload is approximately 267,000 right now, representing about 370,000 individual beneficiaries. We've witnessed an annual increase to the ODSP caseload of between 5% and 6% over the last four years.

In order to qualify for ODSP income support, an individual of course must be 18 years of age, they must reside in Ontario and they must meet a twofold test. First, they must be deemed financially eligible with income and assets that don't exceed the program threshold. Secondly, individuals must be determined to be disabled as defined by the legislation. To meet the definition, a person must have a disease or a medical condition that causes substantial impairment of physical or mental functioning that is likely to last a year or more and that substantially restricts activities of daily living. All of those elements are very important. Approximately 38% of our caseload are individuals with mental health issues, another 18% are individuals with developmental disabilities, and the remaining 44% are individuals with a variety of other physical disabilities, diseases and medical conditions. Recipients may also include the non-disabled spouse, dependent adults and children.

1240

As noted earlier, the ODSP provides financial assistance and employment supports. Allow me just to spend a

little bit of time describing the financial assistance that is available to recipients. Recipients generally receive income support for basic needs and shelter. Currently, a single disabled person receives up to \$578 per month for basic needs and up to \$464 per month for shelter, depending on their rental or housing costs. The maximum income support, then, from these sources is \$1,042 per month. The amount of the income support can fluctuate month to month for various reasons, such as income derived from employment, changes in shelter costs or changes in the makeup of the family. In addition to basic income support, recipients also receive drug and dental coverage. They may also qualify for other supplemental health care benefits such as assistance with costs of vision care, medical transportation and so on. Recipients may also qualify for benefits to address specific needs or situations such as financial assistance to help them avoid eviction or having their utilities disconnected.

All of this is to demonstrate that the ODSP is designed to support the unique needs and circumstances of individuals with disabilities. Just as the program itself is responsive to meet the unique needs of clients, so must service delivery also be responsive and appropriate. Because of the disabilities many of our clients present with, specific needs must be accommodated through our front-line staff.

A program as broad and dynamic as this, as you can imagine, comes with administrative complexity. Staff in our ODSP offices work with clients to assist them to receive the maximum amount of benefits to which they are entitled, while at the same time ensuring that the policies and regulations associated with the various benefits are adhered to. As such, staff and managers in my ministry are continually balancing our two fundamental objectives of quality customer service and client service excellence as well as the adherence to rules of the program so as to ensure the integrity of the program.

When I've had the opportunity to visit our ODSP offices across Ontario, I've found staff who are fiercely proud to serve their customers and to work hard to ensure program integrity on behalf of taxpayers. But as the Auditor General has quite rightly pointed out, we need to continually improve our oversight and delivery of this important program.

Let me turn my attention now to the key contents of the Auditor General's report. My ministry is strongly committed to addressing all of the recommendations in the report, and there is a comprehensive action plan to do so. Progress has already been made on the execution of the work plan, as you've seen in your summary.

Let me start with the issue of financial eligibility. As I noted earlier, individuals who receive ODSP must financially qualify from an income and assets perspective. They must not only qualify at the point of application but also throughout the time that they are in receipt of assistance as ODSP clients. The process used by staff to determine ongoing financial eligibility is called the consolidated verification process, or CVP, as noted in the Auditor General's report. This constitutes a review of

income, assets and costs such as rent, as well as other changes in circumstances, to determine if the client's monthly payment needs to be adjusted.

We acknowledge that ODSP staff must do a better job of verifying income and asset information provided by clients by checking against third party sources. Staff can access information from a number of third party sources to verify income, such as Canada Revenue Agency tax data, employment insurance earnings, CPP earnings, and credit information, just to name a few. We're working to ensure that staff better understand how to interpret third party data to verify income, and we are putting processes in place to ensure that documentation of third party checks is entered into the files. Finally, we're developing a model to ensure that we use a risk-based approach to target our verification efforts. Through these efforts, we'll ensure that clients receive the appropriate income support and we can begin to address the issue of overpayments.

Let me speak for a minute now about the issue of overpayments. Most of our payments are not the result of clients doing the wrong thing. Overpayments may be assessed when it is determined after the fact that clients have had a change in income or a change in circumstances that affect their entitlement. For example, if a client generates income through work and they do not report it in a sufficiently timely manner, an overpayment is triggered. Another source of overpayments is variable rental cost. When a client moves to a new place where the rental costs are perhaps less, they aren't able to declare that in a timely manner and overpayment is triggered. While overpayments can occur due to these types of circumstances, they can also occur because clients have deliberately chosen to misrepresent their financial circumstances. I'll get to the issue of fraud in just a moment.

Overpayments due to lack of timely reporting of changes in income or circumstances can be difficult to recover from the client due to the financial circumstances and hardship of our clients. For example, if a client has an overpayment of \$100, it's difficult to deduct the whole amount from their next cheque as this may put the client in even more difficult circumstances. So only a portion of the overpayment is deducted on a monthly basis and sometimes clients exit the program before that overpayment is fully collected. This practice has been applied, as you know, over many years and across many thousands of clients who may have had overpayments resulting in the cumulative amount of overpayments already documented by the Auditor General in this finding, as well as in chapter 3.11 of his report. The \$663 million in ODSP overpayments identified by the auditor is the cumulative amount owed to the province, much of it accruing throughout the 1990s.

In 2004, the ministry established the overpayment recovery unit, which is specifically mandated to collect debts from individuals who are no longer in the program—what we call our inactive clients. The ministry established a protocol with the Canada Revenue

Agency's refund set-off program to support overpayment collection. Through the recovery unit, the ministry has collected more than \$25 million already in overpayments and other debt, and has made payment arrangements to collect an additional \$100 million.

Of course, we all know the best approach to dealing with overpayments is by not generating them in the first place. We have seen trends in the last four years that indicate that the total number of cases with overpayments has in fact declined. However, the amount of the overpayment per client has risen slightly, resulting in an increase in the total amount of overpayments. But the rate of accumulation is on a downward trend.

In light of this trend and given the recommendations regarding overpayments in the Auditor General's report, ministry staff are analyzing this issue to find root causes for overpayments and to determine how best to address them.

Let me turn to the issue of disability adjudication. As noted earlier, ODSP applicants must not only be eligible from a financial perspective but also from the perspective of a disability. As part of the application process, adjudicators review documentation prepared by health care professionals and by the applicant. The documentation includes information about the applicant's health status and their ability to undertake daily activities, as well as supporting medical information such as test reports, X-ray reports and so on.

It's not simply a matter of verifying that a disability is present. Adjudicators must apply the test for disability set out in legislation, which is a two-part test requiring two separate analyses. The first step is to determine whether the applicant has a substantial physical or mental impairment that is expected to last more than a year. There's a duration element here. The second step is to determine whether the impairment results in a substantial restriction in the applicant's daily activities. For some applicants, this determination is fairly straightforward, but in most cases the determination is quite complex. We must continually monitor both the timeliness and the quality of decision-making in our disability adjudication unit. The findings and recommendations of the Auditor General reinforce our need to be satisfied in the quality of decisions and the consistency of decision-making from one adjudicator to the next. To this end, we've instituted new processes for oversight and review, and invested in developing new resources and training for the more complex adjudication cases. Some of this is noted in the summary that we've provided.

**1250**

There were also concerns raised about the rates of eligibility decisions overturned by the Social Benefits Tribunal. While there have been improvements in overturn rates over the past four years, we recognize that more can be done. We're currently analyzing the factors that may contribute to this and will be identifying potential strategies to address these issues.

I would say we've also recently successfully concluded a new memorandum of understanding between

our Social Benefits Tribunal and the ministry, which will serve us very well.

Let me spend a minute, if I may, on the special diet allowance, which is a subject that was addressed in the chapter we're dealing with today, but also addressed in chapter 3.11 of the auditor's report. The program, as it was originally set up, is intended to help with the extra costs of special diets for those on social assistance who have medically validated specific health conditions and also have medically recognized dietary costs. You're well aware of the sustainability issues we have run into with this program. Special diet allowance costs have increased substantially, from \$6 million in 2002 to more than \$200 million a year at the current time. The government has determined that these rapidly increasing costs are unsustainable.

The Auditor General last year flagged instances of misuse in this program, and called upon the government to review the program with a view to limiting its possible abuse. In addition, the ministry had a Human Rights Tribunal of Ontario decision that found that the special diet allowance discriminated against people with certain health conditions. The tribunal's findings raised policy, regulatory and fiscal issues for the ministry and for the government. These are the facts of the program as it stood at the end of this past fiscal year.

As you know, the government has decided to eliminate the special diet allowance and create a new nutritional supplement program for people with severe medical needs, which will be administered by the Ministry of Health and Long-Term Care.

Let me move on very briefly to the topic of fraud. Unfortunately, there are individuals who seek to take advantage of ODSP through purposeful misrepresentation of their financial or personal circumstances. As you may be aware, the ministry operates the welfare fraud control hotline, which receives tips from members of the public regarding potential fraud for either ODSP or Ontario Works. In 2009-10, the hotline received approximately 21,000 calls, faxes and emails.

All tips to the hotline are referred to the local ODSP or Ontario Works office for further investigation by a caseworker. If, after this initial review, there is continued reason for concern about the potential for fraud, the matter is referred to an eligibility review officer, who will conduct a rigorous review. If sufficient evidence exists that would suggest fraud, the case is then forwarded to the local police, who may lay charges against the individual. Since 2004, more than 2,200 cases have been referred to police, and over the same period, there have been about 1,600 convictions.

We acknowledge the findings of the Auditor General regarding the need to ensure timelier processing of fraud tips. We are currently reviewing business processes to identify best practice and determine areas of improvement.

I would like to note briefly that there are a number of other enhancements we're making to improve client service to our ODSP clients, and we may be able to get into those conversations shortly.

Through these introductory comments, I have attempted to highlight for you a high-level overview of the work we are undertaking to address the auditor's concerns, while also undertaking some initiatives to support longer term sustainable solutions. We welcome the auditor's observations and have seized the opportunity to strengthen the management of this program, so that the people of Ontario can continue to have confidence in the integrity of this critical service.

We would now be pleased to provide members of the committee with any additional information.

**The Chair (Mr. Norman W. Sterling):** Thank you very much.

I would invite any gentlemen who are wearing jackets to remove them at your leisure or pleasure. This room tends to get a little warm later.

Mr. Shurman.

**Mr. Peter Shurman:** Thank you very much for appearing before us, Deputy Minister and both gentlemen with you.

I'd like this to be a conversation, as opposed to an exercise in bureaucratic speak, and I mean no disrespect in saying that. Frankly, you three could run rings around me; that's your job. My job is to speak on behalf of people and hopefully get some answers that can be interpreted by them as answers to the following questions.

Are all the people in the province of Ontario who require OW or ODSP getting it in a timely fashion, and are all the people who shouldn't be receiving it not receiving it? That, to me, is the nub of what the auditor was getting at when he went to investigate this, not for the first time but, I believe, for the third time.

I have a question. You talked about your respect for what the auditor has done, you talked about developing an action plan, you talked about the fact that one of your colleagues has only been there for a relatively short time. My question is about six words long: Do you agree that the system is broken?

**Ms. Marguerite Rappolt:** Thank you very much for your question. I could have taken a sip of water before I took that question. I think I would start by saying that we, in the Ontario public service and in our program, are in the business of continuous improvement. I would say to you that I feel very well served, as the new member—these colleagues have been a little more long-standing—with the focus and attention of this ministry on continuous improvement within this complex program.

I think my answer, with respect, would be categorically that I do not think this program is broken. We have over 1,400 men and women who serve clients in over 40 spots throughout the province, who are engaged in responding to some of the most vulnerable Ontarians and do so finding that balance in getting financial assistance to them in a timely way, but also taking very seriously their responsibility for the integrity of this program and the eligibility issues that we know we all care a great deal about and that taxpayers care a great deal about.

When I talk about continuous improvement, I'm certainly talking about how we help those staff under-

stand their job. I think that in the summary I have provided to you with my team, we've given lots of examples, and my colleagues could provide more, of how we are needing and doing a better job in clarifying, building consistency, training, giving our staff the tools to help them provide excellent customer service, whether that be making good, timely decisions in initial financial eligibility or whether that be the reviews of eligibility that need to happen periodically.

I noted in my remarks the fact that we have a job to do—and we're in the middle of doing it—in helping our staff understand how to use credit data better. It's a very important element in the ongoing assessment of financial eligibility to not just look at that which our clients provide to us, but also find other data and information that adds value and verifies their financial situation. That's an example of the training and outreach we are doing to ensure we're providing excellent client service.

**Mr. Peter Shurman:** And it's a good example, because in the material this committee has received, and has read and absorbed, that would be one of a number of examples of things that were not being done to the maximum possible extent, resulting in a spillage, I think I'm being legitimate in saying, of hundreds of millions of dollars—indeed, maybe billions over time—in any given year. That's what I read. To me, if I were to encapsulate that, perhaps in a speech I would make in public about the state of affairs, I'd say that's broken, and that's why I ask the question in the way that I do.

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I don't doubt for a moment, by the way, that you believe every word that you're saying and that you are taking those steps. But if I'm going to go out and interpret this, to continue on that line of questioning, what I would say is you don't agree that it's broken, but there are steps that have to be taken. The way I'd say that would be that you're fixing it. Am I being fair?

**Ms. Marguerite Rappolt:** I'm going to say yes, you are being fair. It's a big, complex system. I would never want to be simplistic about my accountability or our accountability for what goes into fixing this program. Some people might say, and I would suggest that it may be a generous interpretation right now, that we're engaged in a way where we're fixing it all, but that is our goal.

**Mr. Peter Shurman:** But you're telling me that this is a work in progress, in fact?

**Ms. Marguerite Rappolt:** Absolutely.

**Mr. Peter Shurman:** There's no question that it's a work in progress; there's a question of believability. Nobody's suggesting that you're coming here and lying to the committee or misleading us in any way. However, you wouldn't be the first deputy minister to appear before a committee and say, "This is a work in progress. There are things that need to be fixed. We have to plug these holes," and so on and so forth. But this has happened several times.

I guess what I'm getting at is, why do we believe you today? What comfort can you give this committee that at

some given point in time, we're going to have a fairly reliable, fairly bulletproof system for handling the affairs of people who are in trouble in our province and for keeping the cheaters out?

**Ms. Marguerite Rappolt:** Thank you very much for your question. I would say, as I've noted in my remarks, there are a number of elements that go into preventing overpayments. I think this is what you are predominantly referring to when you talk about the fact that there is a large number of outstanding overpayments: \$663 million associated with our ODSP program. As I noted, and I think everyone acknowledges, that big number is the result of the cumulative effect of overpayments over a long period of time.

I have offered to you some of the things we're doing to make sure. We do two things: We prevent them from continuing to happen at the pace they have been happening, and secondly, as aggressively as we can, we have collection efforts under way with respect to existing overpayments.

**Mr. Peter Shurman:** So you're addressing the overpayment situation on one level.

Let me go to a couple of subheadings that also come into the auditor's report. Let's start with \$377 million spent for SDM technology in 2002. Effectively, this is a sophisticated computer system that makes errors, according to what we hear. Either the computer makes errors or the access to people is too wide-ranging to allow for checks and balances. There are a lot of problems with this system. That's a lot of money to have put into a computer, on the one hand. On the other hand, we are talking about technology that's eight years out of date, and in the world of computers, I think we can all agree that that's forever. Where are we with SDMT or son of SDMT today?

**Ms. Marguerite Rappolt:** Again, I appreciate how you have framed the question in terms of the importance of this technology and its complexity and your acknowledgment that, by today's standards, it has been serving us for a fair period of time. I will make a few remarks, and then I am going to invite my colleague Mr. Bezzina to say a bit more about a couple of things.

We need to work on a couple of levels, and we have been. The first level is to make sure we are serving our social assistance clients the very best we can with our existing technology. You will know, of course, that the SDMT—the service delivery model technology, as it is called—has been the subject of a number, I think it's fair to say, of previous audits. I'm not going to address those findings.

In this audit, in 2009, our Auditor General colleagues, both in chapter 3.09 but also 3.11, talked about some ongoing concerns, as you said, about the generation of errors. I think there was some acknowledgement that there were some improvements with regard to security issues with respect to outside sources, but—

**Mr. Peter Shurman:** Let me just correct that. I don't mean to interrupt you. When I refer to security issues, in the discussion that we've had and a bit of further explora-

tion into this system, it would appear—and correct me if I'm wrong—that a caseworker with access could open up an account, follow it all the way through with access to every point, and close out the account, which means that there would be no oversight; there would not necessarily be a supervisory person who could go in and say, "Why did Shurman get that? Why didn't we cut him off?" If I'm right, that would have been an initial design flaw in the system that has been around for eight years, and goodness knows what that has cost. Is that correct or not?

**Ms. Marguerite Rappolt:** The point I made about security: I think I'm fair in representing the Auditor General's conclusions, as I was saying, with regard to external access from a secure point of view, and there have been improvements made in that regard.

To your point, Mr. Shurman: Absolutely, I share your interpretation of the Auditor General's findings that there were concerns identified with regard to the oversight of caseworkers' access.

So to my earlier comment, we are working on two levels. One of the levels is to improve client service/access, but also confidence, flexibility, reliability of our current SDMT system, knowing that it was planned for more than a decade ago, and it has been fully operational since 2002. Clearly, that is a great deal of work that we're engaging in with our IT experts.

In addition, though, as we should in the Ontario government—and other levels of government, at the federal level, have recently addressed this issue—we should be looking in a forward-thinking way at the reliability and security of our most critical information technology platforms to serve clients well in the future. We are doing that—

**Mr. Peter Shurman:** Does that mean you're looking at a new system?

**Ms. Marguerite Rappolt:** We definitely are looking at a new system. We have proceeded with the development of a business case regarding the renewal and replacement of our SDMT system. I'm very pleased that, with other government partners, we are able to proceed and attend to this need. Obviously, this is a multi-year exercise, not something that we do in an unplanned way. Colleagues in my ministry are very engaged with people across the Ontario public service in ensuring that we proceed in a measured way, with many other partners, to begin the development of the replacement system.

**Mr. Peter Shurman:** This is a multi-year problem, though, and you've acknowledged that. This is not an easy fix; you've acknowledged that. At what point would we be able to, if we had a mind to, call you back here? Or at what point would the Auditor General be able to look into your system again and say, "You know, they've plugged their IT holes. That part is not an issue for us anymore"?

**Ms. Marguerite Rappolt:** I'm going to leave the timing of the Auditor General's priorities to the Auditor General—

**Mr. Peter Shurman:** As do I. But I'm asking you what your timing is.

**Ms. Marguerite Rappolt:** Our planning is set, and we are hopeful to be close to implementation, I believe, at the end of fiscal year 2012-13.

If I could, I would welcome my colleague just being able to mention some of the practical improvements we are making with regard to the responsiveness and flexibility of the current SDMT support.

**Mr. Alex Bezzina:** Just very briefly, there are almost 11,000 people who use the system, because it serves not only ODSP but OW at the municipal level, and about 800,000 people rely on that for benefits cheques to be cut and business processes to be maintained and case management to be done. Yes, there are issues with it, but for the most part we get the cheques out to all of those people in a timely way every month. The core of it works; there are things that need to be done to improve it.

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One of the things that you mentioned was that in part it's an IT issue and in part it's a supervisory oversight issue, which we are addressing through enhanced supervisory file review processes that we've recently implemented as a direct response to the Auditor General's report.

Other things that we've done over the years: For example, in order to have better oversight of the program, we've introduced audit trail history for direct bank deposits. Many of our clients have direct bank deposits, as opposed to receiving a cheque directly. We had not had a good audit trail in there previous to very recently, and we've implemented that. Again, it allows for better oversight.

We've made it easier for staff, once they go in there to make a change to a person's entitlement, to do it not only on a go-forward basis, but to address any arrears that may be required for the individual. Sometimes their circumstances change, which would allow them to get more, but they don't tell us. So when they do tell us, we have to go and do retroactive. We're able to do that and show it in the system more effectively.

Because it's a case management system, you're dealing with human beings. There are certain things you have to do in a notes section of the case management system; you're actually typing up case notes. We've introduced a search function into that area of the technology so that it's easier to find information when you have to go back, or if the worker changes at some point in time.

Finally, and this is just one last example that I'll use—there are a number of others—we have enhanced our flagging system within SDMT to ensure that for people whose cases should be reviewed in a more timely manner because of potentially changing financial circumstances, those flags come to the worker in a much more predictive type of way.

**Mr. Peter Shurman:** Thank you. I knew that the cheques were getting out on time, because when they don't, we see people in the front yard here.

We have about three minutes left in this round before we go on to my colleagues. I just want to switch quite radically to a subject that I flagged in reading. It looks to

me like the average sick days taken by your caseworkers run about 20 per year, compared to the public sector average of 12. I don't know; I don't take any sick days per year. Maybe I'm just lucky. But 20 days per year seems like a lot, and it suggests to me, without trying to draw the wrong conclusion, that there's a reason why people want to stay away. Is there? How do you interpret that particularly high average?

**Ms. Marguerite Rappolt:** Thank you very much for the question. I'll say a few comments and then Mr. Bezzina, who oversees this service, may say more.

Twenty days is high. You've noted what the Ontario public service average is. I would just say a couple of things. One is that the work on the front line for ODSP staff is tough work; it's complex work. I think if we looked at sick days for those in the Ontario public service—perhaps in other organizations as well—who deal with front-line human service interpretation on a day-to-day basis, we likely would find that their sick day average is well above the norm. So I think this pattern is not uncommon throughout other areas of our organization and other organizations.

Are we comfortable with this? Would we like to do better? We absolutely would, and one of the things that I think Alex can talk about is the fact that we have a service enhancement project going on right now for our Ontario disability support program. What that means is we've identified the fact that it was time to look at the structure of how we deliver front-line service. We are consolidating some of the functions, so we will in fact provide more of a one-window case management approach. We will collapse the number of kinds of workers into a more consolidated model.

**Mr. Peter Shurman:** And you think that will reduce this from 20 days? I note that the caseload has generally dropped about 35%. If the caseload has dropped 35%, that tension and pressure and hard front-line workload you're talking about would be somewhat mitigated. You're not telling me that this 20-day average we're looking at, which is not necessarily immediate but during the auditor's review period, has come down, has it?

**Ms. Marguerite Rappolt:** I would let Mr. Bezzina address that. I would be doubtful that it would come down in a period of four or five months from the time of the auditor's report. The reason I talk about our service enhancement project at the front-line level is because, first of all, it's our commitment in working with our bargaining agent toward an improved service model. It very much engages our staff in assisting in influencing what that model is. In that vein, we have been able to secure additional front-line staff. I would invite Alex just to say a little bit more about that improvement.

**Mr. Alex Bezzina:** The program, as it currently exists, has a number of different staff types and staff classifications. That is associated with a number of what I would call inefficient hand-offs within the program. It was designed that way initially, because it was designed more on a specialist type of approach to the work, where certain types of staff would do certain things with a case

and other types of staff would do other things with a case. Staff find it to be extraordinarily frustrating when there are lots of hand-offs, but more importantly, our clients and customers find that to be problematic as well.

Our plan at this point in time—and as the deputy mentioned, we're working very closely with staff groups as well as with our bargaining agent—is to develop and implement a new model that would provide end-to-end customer service through a single generalist case management model that we believe, based on input we hear from staff, will result in improved work satisfaction from their perspective and will allow us to address the fact that while we do have increases to our staffing as a result of this, we also have a program that grows every year by 5% to 6% and we don't necessarily have staffing increases that are associated with those caseload increases over the years.

**Mr. Peter Shurman:** Thank you very much.

**The Chair (Mr. Norman W. Sterling):** Ms. Sandals.

**Mrs. Liz Sandals:** I'll be sharing my time with Mr. Zimmer, but first of all I'd just like to ask a question for clarification. We got into a bit of a discussion this morning about what the rules are when people have employment. My understanding was that it's 50-50—a 50% clawback—and that that's more or less open-ended. Could one of you clarify what those rules currently are?

**Ms. Marguerite Rappolt:** Certainly, and I believe you do have it right. I'll ask my colleague David Carter-Whitney, who will perhaps be able to offer a little more about what the rules were and what they are now.

**Mr. David Carter-Whitney:** You're right. There is a 50% earnings exemption, as we refer to it. This was part of a broad set of changes that the government introduced in 2006, which sought to increase an employment focus in ODSP. Previously, the program was largely an income support program with some other activities, but the previous rules around exemptions were quite complicated. It was \$160 a month for a single recipient and \$235 for a couple. There was a reduction rate of 75%. So prior to the 2006 changes, every dollar beyond your exemption was reduced by 75%. Similarly, there was a complicated set of rules in Ontario Works.

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The changes in 2006 did a couple of things. They were intended to make it easier to understand, quite honestly. So 50% was more generous than the previous rules, and it replaced a hodgepodge of different exemption levels and different thresholds. It was also accompanied by some other changes that were made. We introduced a range of other supports that would encourage people to work. There was a \$100 work incentive that people who have earnings and ODSP would receive to try to encourage people to enter the workforce. There were some specific funding supports to help people find and obtain work. We changed—I'm maybe going longer than you want, but just to say there was a whole set of things we tried to focus on.

We also tried to change the way we incent the third parties who are intended to help people find jobs. Previ-

ously, they were service contracts that weren't particularly results-focused. Now we pay based on the service provider receiving money, and additional money, when a person is placed in and retains a job. We're trying to incent that.

We've also done some work with employers as well, recognizing that there's a certain amount that is the other side of this environment, everything from the broad work—the AODA is trying to make an environment that looks at employment standards and makes the whole environment for people with disabilities more accessible. More specifically, we've done work with Canadian manufacturers and exporters, trying to encourage support from an employer side and supports to other employers, and we've done some work around advertising to try to promote the idea of hiring people with disabilities.

**Mrs. Liz Sandals:** But basically, from the point of view of the recipient, they can work in an open-ended way or whenever their condition permits and it's going to be 50-50; they keep 50%, and 50% comes back as a reduction eventually.

**Mr. David Carter-Whitney:** Yes. The rationale behind that is that it's somewhat intended—there is no significant threshold where if you work to this point, suddenly you lose a large amount of money. Any additional amount you work, you are better off. There are no artificial thresholds caused by policy. It phases out, so to speak. These are meant to be last-resort programs, so we're trying to balance a principle of fairness and encouraging people. At some point, people are well enough off that they aren't on the program. How do you help people to make decisions that are in their interests in terms of working more? This replaced a system that had significant disincentives to work.

**Mrs. Liz Sandals:** Okay. Can we look at the whole area that the auditor identified around oversight and accountability? He identified a number of different areas where he questioned accountability, and there are two or three that I'd like you to talk about that stood out for me.

One gets the sense from the conversation, looking at the initial medical issues, that you have people who maybe understand medical issues. But on initial eligibility, there are questions being raised around looking at financial eligibility and whether that is being adequately checked.

There is an issue that the auditor is raising around ongoing financial eligibility, because people's financial circumstances can obviously change. Are adequate review procedures in place so that financial eligibility is periodically being reviewed?

Then, on the medical conditions, where the medical condition may be temporary and the file should have been flagged for medical review, is that medical review actually happening when the original eligibility was based on a periodic review?

I'm wondering if you could tell us—obviously the auditor has found some weaknesses in all those procedures—what you're doing to address those flaws and improve oversight and accountability.

**Ms. Marguerite Rappolt:** Thank you very much for the question. I understand it has three parts, the first and second dealing with the initial and then the periodic financial eligibility review, and the third part dealing with medical reviews.

I think we'll deal with the first two together, if I may. Again, what I think I'd like to do is start with referencing some information that has been made available, but invite my colleague Mr. Bezzina to say more about how we're working with our staff.

We know that having a system in place that is responsive to client needs, but also balances program integrity and accountability, is our goal.

The initial review is one that requires consistency of interpretation across our caseworkers, across the province, and it requires access to and appropriate interpretation and understanding of our rules and programs.

We are engaging in training all the time to better equip our front-line staff to make those decisions consistent with current guidelines and interpretations.

As I said, either in the first instance or for the periodic financial reviews, we are particularly focusing on encouraging better understanding of how to interpret third party audit or credit information.

I think that for most human service programs that are based on some thresholds and criteria that define entitlement, where income verification is involved, many programs in our own government and, I would say, across the country—because we do pay attention to what's happening, best practices in other jurisdictions. We are looking for ways to work with outside partners to help us do that job better in government.

Maybe I'll just stop. Alex will be able to say a bit more about the relationship we have—this was made known to the auditor, of course—with Equifax, which is a company that is expert in interpreting and dealing with credit information.

We are using Equifax to help build the right kind of risk model, because what we want to do is focus on the places where we have reason to believe there may be wrongdoing or misuse. Just like other entitlement and income support programs, we have come to understand that doing our reviews on a random, full-population basis does not serve us as well as understanding the profile and nature of our clientele, learning about triggers as to where risk exists and ensuring we develop an active risk framework and help train our staff to interpret that and respond.

Alex can say a little bit more about this.

**Mr. Alex Bezzina:** You quite rightly pointed out that there are two steps to looking at financial eligibility. The first is when a person comes to apply. Many of our applicants come to us through Ontario Works. But there are quite a number who are self-referrals, who are turning 18 at any given time or are about to turn 18, so there is a need to do work with respect to verification not only of income but of assets, and then to check against third party. We have current agreements with the Canada Revenue Agency to look at tax-related information. We

have agreements and file-sharing protocols with Employment Insurance and the WSIB, the Workplace Safety and Insurance Board, to look at receipt of income there. And we have file-sharing agreements with the Family Responsibility Office to look at support payments as well. Finally, as the deputy mentioned, we have access to credit information.

It's a matter of teaching our staff to interpret the information that they gain or garner from any of those sources and, in particular, how to interpret credit information. If you see that somebody has a lot of credit activity because of the Equifax documentation, how do you interpret that against income rules, asset rules and eligibility? We are working to teach staff how to do it.

In addition, the Auditor General said that if it is being done, it needs to be documented better and there needs to be more rigour associated with the documentation of the work that's being done. So we've also instituted, as I mentioned before, a much more enhanced supervisory file review approach to ensure not only that things are being done appropriately, but that when the Auditor General comes—he needs more than our word that we're doing it; he needs to see the documentation, and we understand that, so we're putting that in place.

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**Mrs. Liz Sandals:** What about on the medical review side, which I get the impression has been dormant for a long time? What happens there?

**Mr. Alex Bezzina:** As you may know, when a person comes and applies, at the initial adjudication they can have a date set for medical review—not everybody. There are conditions that we know are lifelong where the prognosis for improvement is not there, so they do not get a medical review date put on their file.

The Auditor General, quite rightly, has indicated in this audit, and in fact in previous audits, that we've not been following up on the medical review dates for those cases where we have flagged on the file that a medical review is required because there is some evidence from the health practitioner that the condition might improve over time. That's the only time that we put one of those flags. We're not going to review somebody, for example, who has a developmental disability. Those conditions are not going to improve, so we wouldn't put them through a medical review.

Not in this audit but in the audit previous, the other thing that the Auditor General found—and we actually received criticism as well, and significant criticism at that, from the Ombudsman—was that it was taking us far too long to do initial adjudication. We were spending upwards of eight and more months doing initial adjudication. That was a problem that we first attended to over the last several years, to improve our timeliness and accuracy of initial adjudication, and we've put perhaps too much effort there and not enough effort focusing on the medical review component.

We have subsequently, however, implemented medical review. We started last summer. We started slowly because this is something that, although clients have been

told it could happen, we hadn't been doing. We needed to apprise them of what we were going to do, what it meant, what work they would have to do with their health care practitioners, what documents we would require back and what processes would occur if they were found to be not eligible anymore and what their rights were at that point in time.

We had some training work to do, so started slowly. We started with 100 cases a month. It's not enough to get at the backlog issue that the Auditor General identified, but we wanted to start in a way that could have us examine our business process so that it was fair to clients while we were addressing this particular issue at the same time.

We are now at a point where we're almost a year into having started this work. We had indicated at the outset that after a year we would review, and we'll be doing that.

**Mrs. Liz Sandals:** Thank you. And I think Mr. Zimmer—

**The Chair (Mr. Norman W. Sterling):** Mr. Zimmer, you have about five minutes left on your time.

**Mr. David Zimmer:** Okay.

**The Chair (Mr. Norman W. Sterling):** We'll come back to you in the next round.

**Mr. David Zimmer:** I've got a question about IT, because it's the one everybody knows interests me. It's an issue that in the context of the auditor's report, to put it bluntly, just drives me crazy. I am just dumbstruck as to why we can't get our heads around it.

On page 1 of the auditor's report, he says at the bottom—I just want to set my question up: "The auditor noted that largely as a result of caseload growth, total ODSP benefits have risen to more than \$3 billion, a 42% increase since the time of the auditor's last audit in 2004."

Then the auditor goes on at page 3, the penultimate bullet point there—just among other things—"The total amount of overpayments has increased substantially since the last audit (\$663 million in 2009; \$483 million in 2004)."

The last bullet point: "The ministry's computerized SDMT information system still lacks the key internal controls, and regional and local offices are not receiving information they need in an easily understandable format."

Then, on page 15 of the report, under the heading "Service delivery model technology system"—and I just want to read this into the record—the auditor found that, as was the case in 2004, five years ago, "caseworkers still expressed considerable dissatisfaction with the SDMT system." For example, ministry staff—these are your front-line workers—said that SDMT continues to make errors they cannot explain, including some that lead to overpayments. Regional and local offices are not receiving, in an easily understandable format, the information they need to effectively oversee program expenditures.

The auditor also said that the system lacks certain basic internal controls, including the fact that front-line

caseworkers have "considerable powers to act without management's knowledge."

So, given the size of the operation, the orders of magnitude in terms of people served and money spent—it gets me all tied up—how can it happen that in 2004 that all these IT problems existed, the program grows exponentially by 42%—all the problems that permeate throughout the report—and we still have not got the basic IT Gordian knot cut? Airlines run on computer systems, banks run on computer systems, eBay runs on computer systems. I can call Ticketmaster—I can do all kinds of stuff on computer systems. But you've got this huge public expenditure, with an important clientele, and the words the auditor uses to describe the IT system are, "It lacks basic this. People don't understand it. It can't do the simple, basic functions. It's just dysfunctional." How can that be today, especially after the warnings, the admonitions, of 2004? Untie the knot for me. Calm me down.

**Ms. Marguerite Rappolt:** Thank you very much for your question. I appreciate what I would say is your passion about our need in the Ontario public service to pay attention to the importance of our information technology platforms and do better.

I know that there have been a series of audits with very important findings. I believe that our ministry, working across government, has made good efforts—I hope I can say best efforts—within the platform that exists to make some improvements to the responsiveness, the flexibility and the reliability of this system.

**Mr. David Zimmer:** I understand all that. But tell me what has gone wrong since 2004. Why has the auditor still got the same fundamental core criticisms about the IT system: It doesn't do the basic job; people don't understand it. How on earth are you going to be able to deliver and manage these programs when we're still mucking around with, tinkering a little bit with, the IT system? Why can't you cut that Gordian knot?

**Ms. Marguerite Rappolt:** I appreciate the question. I noted earlier that there are limitations with regard to the flexibility of this platform.

So, there are improvements that we've made. Are they sufficient to address all of the Auditor General's concerns or our concerns? Likely not. I'm agreeing with you.

I also noted earlier that I'm very pleased that our ministry, along with other government ministries, is working toward the replacement and modernization of this technology.

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I did note earlier that we're working on two levels right now. The first level is to ensure that we are doing the very best we can in terms of working with the existing platform, making it responsive to our staff—who have very valid concerns—and flexible but, at the same time, acknowledging that the platform itself is outdated.

**Mr. David Zimmer:** Okay, if the platform is outdated, and you're dealing with this complex organization, why can't you quickly update the platform? I think I know the answer. If the banking system—and you

all use these banking machines—said, “The system is screwed right now, but we understand that, and we’re working on a platform to get it up to date; give us five or six years. But we’ll handle your money as best we can,” what would you say to the bank?

**Ms. Marguerite Rappolt:** Well, I want excellent customer service from my bank just like I want excellent customer service for my ODSP clients. I would know that our banking institutions understand the importance of refreshing and renewing, using best practices, appropriate accountability and oversight, and their technology platforms in order to give you, me and everyone good customer service. What I’m pleased to be able to say is that our government is also understanding the importance of that and, therefore, has given us the green light to proceed with the planning and design of a new technology platform that will serve our ODSP clients well in the future.

**Mr. David Zimmer:** What is the end date for that?

**Ms. Marguerite Rappolt:** I did note earlier that it is a multi-year plan, as you can imagine. It’s very important. It’s very complex. Our end date right now is the end of fiscal year 2012-13.

**The Chair (Mr. Norman W. Sterling):** Can I just ask, because there have been several questions on the IT, have you looked at the IT used by other jurisdictions? Why don’t you just adopt a successful system?

**Ms. Marguerite Rappolt:** I would acknowledge that there will be many people, perhaps in this room, certainly outside this room, who understand the details of the software and so on better than I do, but I think I’m able to address your question. In the business case we took forward that has been adopted regarding the replacement of the SDMT, we did careful research—we needed to do that—internationally and in Canada. We are proceeding with a model and approach that does mirror case management systems for complex human service programs just like this that are being used in other jurisdictions.

The province of Alberta has adopted the CaseWare model, the software model case management system that we have engaged with. The province of Saskatchewan as well is using the same case management system.

So we have looked and, to your point, we are attempting to adopt international best practice and models in this field.

**The Chair (Mr. Norman W. Sterling):** But why would you not just imitate identically another jurisdiction? Every jurisdiction has the same problems: They have a disabled community that has to be helped, and they have a community that are in immediate need, like our Ontario Works program. What’s the problem? Business adapts their business practices to some of their IT models, because they find that to have an IT model there is so essential to the delivery of the program that they make some alterations to their policy surrounding it. Why don’t we do that?

**Ms. Marguerite Rappolt:** What I would say is we are doing that to the degree we can. The qualifier, in my mind, is this: The software application that we will en-

gage with needs to work within our legislative policy and business practices that exist for our program.

I accept that the outcome of social assistance is the same across Canadian jurisdictions. The framework that we have in the form of two big pieces of legislation, two levels of delivery of social assistance between two levels of government in this jurisdiction, the range of rules and regulations, these are all things—and some may think this is a good thing; some may regret this—that tend to be fairly unique and specific to a provincial jurisdiction. We need our technology to work with and respond to our business practices.

We will commit to do what we can to incorporate customized off-the-shelf case management technology. That’s the approach. We just have to make sure it can adapt to our policies and regulations that exist.

**The Chair (Mr. Norman W. Sterling):** I think that the problem with this and the Family Responsibility Office is that you never approach the problem the other way, and that is, case management is so important to the delivery of the program, to get what’s done right, that maybe you should adapt the program and say, “How much of a difference does this make to our policy decisions? Should we alter our regulations and laws to fit the program rather than going the other way and trying to create new software?” Once you create new software, you create problems. Everybody knows that in business; everybody knows that in IT. Once you create a new piece of software, you’re in trouble.

Anyway, sorry. I go on and I shouldn’t be going on; I’m the Chair of the committee.

**Mrs. Liz Sandals:** Just as long as you don’t count it against our time.

**The Chair (Mr. Norman W. Sterling):** Mr. Prue.

**Mr. Michael Prue:** I don’t know, Mr. Chair; I was enjoying your questions.

Let’s stay with computers just for a few minutes here. Obviously, they’re a great deal of difficulty, and you pinpointed that the difficulty is because we, as legislators I guess, or perhaps government ministers more so, come up with regulations that are absolutely unique, to the point that computers can’t work.

How much of this has to be done by hand or input? How much of it has to be individually inputted? Every case, virtually, because every case would have some little fact that’s different?

**Ms. Marguerite Rappolt:** Thank you for your question. I think on this one, I’m going to turn to my colleague Alex Bezzina.

**Mr. Alex Bezzina:** The current computer technology has at its core an engine that calculates benefits. The work of the intake worker and the ongoing case manager is to ensure that the information inputted into the system is accurate, but the actual calculation of the benefit is done by the computer system that has that underlying engine in it. The by-hand piece that you’re talking about is the actual inputting of the data into the system.

Cases are unique because family makeup is different, rental costs are different or income might be different;

there are a variety of things that might change the actual amount that a client receives. In addition to the basics, there are all the supplementary program benefits that they can receive that will also change their monthly cheque. All of that has to be inputted and correctly interpreted.

There are some costs, I will say to you, that can change quite radically from month to month, and the one that I will make mention of is medical transportation costs. One of the programs that we do provide for is the costs associated with transportation to medical appointments. That can change simply because a person's medical appointment schedule can change from month to month. So that constantly has to be adjusted by our staff.

**Mr. Michael Prue:** The special diet allowance is being taken away from the ministry and is being given to the Ministry of Health. That's some \$200 million of funds. I would assume there's going to have to be a radical change to the computer system. First of all, you won't need it anymore, that whole section, and the Ministry of Health will have to develop a new and unique system. Is that pretty logical, what's going to happen?

**Ms. Marguerite Rappolt:** I'll first acknowledge: As you've noted, our 2010 Ontario budget did note the elimination of the special diet program and acknowledge that a new nutritional supplement program would be developed and would be administered by the Ministry of Health and Long-Term Care. There are many elements to that adjustment, as you can imagine, that we are engaged in with our colleagues in the Ministry of Health and Long-Term Care, and one of the elements is thinking about the changes that ending the special diet program will mean to our own service delivery.

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I would just confirm with you, as you noted, that that needs to be a part of our planning work from a program-operational point of view and, as you say, from a computer-technology point of view. These are all the kinds of changes that legislators, ministers and ministries make that require us to attend to what that means for our technology systems. It is early days, I dare say, but we are absolutely engaged in beginning to think about that.

In terms of our new nutritional supplement program that will be administered through the Ministry of Health and Long-Term Care, again I would say that it's early days. We are just at the stage with our colleagues from the Ministry of Health and Long-Term Care to be assessing various approaches. It would be premature—I'm certainly not in a position to comment on what the model might be or what the delivery mechanism will be, but these will be things that we will be thinking about and working hard on.

**Mr. Michael Prue:** Have you had an opportunity to sit down, if you haven't got the computer system worked out—and I understand that it's too early—and discuss with the Ministry of Health how many staff will be transferred from your ministry to theirs? Or will any be transferred?

**Ms. Marguerite Rappolt:** I appreciate your question; these are very important program questions. We are not

at that stage yet. No, we are not. We're beginning to work on approaches, considering different models or design options, but I appreciate your question. These are things that, over the course of the year, we must be mindful of.

**Mr. Michael Prue:** The reason I'm asking that is that I went down to the Human Rights Commission on the day that this was being debated, and I saw the affidavit of the ministry which was presented. I read it, and I don't have it in front of me, but as I remember it, it was approximately four months that it was going to take to wind down the special diet allowance. It was going to take another few months to ramp up the new diet allowance, or whatever it's going to be called, at the Ministry of Health. Surely you must be beyond a preliminary stage. That was more than a month ago. We have less than three months, if that affidavit is to be believed, until one program is gone and other one is ramped up.

**Ms. Marguerite Rappolt:** I won't speak specifically to the time frames in the affidavit, but I'm very much aware of them. I think the point would be that we know, given the number of clients who are recipients of the special diet allowance currently and given the importance we and the government will place on the design model and the implications of the new program, that it will take some planning and design time.

I agree with you that there were some time frames that are important, reflected in terms of what we expect to be our planning and implementation horizons, but I can't comment more right now with any more precision than you've noted about what we expect in that rollout.

**Mr. Michael Prue:** I'm curious, because I did read the auditor's report when he was talking about the number of staff within the ministry and how it has gone up, I believe, some 32%—excuse me, not the staff going up, but the decrease of 32% in the caseload per staff. I mean, since the caseload has gone up, I have to assume that the staff has gone up as well. How do we fare on a caseload basis per staff with other jurisdictions in Canada? It always appeared to me that our staff was hugely overworked.

The reason I'm asking this is because I used to be a civil servant before I did this. I worked in the immigration department, and every time they cut back staff, it had huge consequences: Enforcement went down, the number of claims that weren't being adjudicated went way up, and it was much easier to simply say "yes" to everything because you didn't have the time to actually look at what you were supposed to be doing.

I'm seeing the same kind of thing, I think, here. Could you comment on that? Is part of the problem when we don't have the staff to be able to do the enforcement and the other time-consuming activities that the auditors identify? Is that the real problem?

**Ms. Marguerite Rappolt:** Thank you very much. Earlier, we talked about a service enhancement project we have under way right now, working with our staff and working with our bargaining agents to redesign our work and our jobs in our offices to offer better client service.

Then I noted that we were fortunate: The auditor, of course, talking about caseloads and the work of our staff helps bring attention to the need to ensure that we are appropriately staffed. We had the benefit over the course of the last fiscal year and into this fiscal year to have more resources added at the front line in our ODSP program. So my colleague Alex was able to talk a bit about why and what we are doing in terms of redesigning to ensure that it is a better-staffed case management model, reducing the number of hand-offs between workers doing different things, creating a more open focus, a one-window focus, for the client. With that change that's in progress right now—we're working with our bargaining agent and our staff—we have been the beneficiary of additional resources. I think that's a reflection of our sense of priority and the government's sense of priority to ensure that we continue to do a better job at the front line.

**Mr. Michael Prue:** Okay, but you are going to lose some of those resources to the Ministry of Health, surely.

**Ms. Marguerite Rappolt:** I appreciate your question, and I'm hearing what you are saying. I can't address it right now, because we just haven't landed what the design model will be and so on—the issue of whether or not there are staff who will be shifting or what that circumstance will be.

**Mr. Michael Prue:** Again, part of the reason I'm asking this is that rejected applicants, according to the auditor's report, appeal to the Social Benefits Tribunal. It overturned many initial ministry rejection decisions—a huge number. I can speak only anecdotally from my own office. Very few people who are rejected come in to see us, but for those who do, I think we have a universal success rate of 100% in helping them to appeal—and they win. I look at it sometimes in complete disbelief. I think it's part of this whole thing, that it's really easy to say no, because you don't have to do any work to justify it or anything to write out to say why you think it should be allowed. It's much harder to allow something at the initial level, but this is time wasting; this is hugely time wasting. It must be for the bureaucracy; it is for my office; it is for the poor people who have the fortitude or, I guess, just the will to come in and seek some assistance, because mostly they are people who are on the margins. They get told no, and most of them walk away with their tail between their legs. That's the end, unfortunately.

Can you tell me why so many are refused, and why so many decisions are overturned? Again, is this a staff problem? Is this a problem because you have to do additional work to say yes?

**Ms. Marguerite Rappolt:** I think the issue of the role of the Social Benefits Tribunal—it's very important work. Being an independent point of review and appeal for our caseload, it's an important area for us to address, and something that the Auditor General turned his mind to. As you noted, there were some flags regarding the overturn rate of disability adjudication decisions. The report noted, in fact, that the actual number of cases which are being overturned has increased, but that's

partly as a result of caseload volume. The Auditor General went on to say, though, that the rate of overturn by the Social Benefits Tribunal of our caseload is going in the right direction. The overturn rate a number of years ago—let's say 2005-06—was significant. It was close to 75%—72%, to be exact. That rate has come down significantly.

**1400**

So I'm hearing your sentiment that some of our clients who seek assistance—which is their right, absolutely, to have their case reviewed through due process. Those cases may grow in number and they're proceeding through to the tribunal, but the tribunal's data are demonstrating that in fact the rate of overturn of our decisions is not what it was. That trend line is moving in the right direction.

**Mr. Michael Prue:** But they're still at 55%.

**Ms. Marguerite Rappolt:** Yes.

**Mr. Michael Prue:** I think back to my own days, working in the immigration department. If somebody was overturning 55% of every decision that I made and my colleagues made, we would do one of two things—well, probably what we would do is stop making those kinds of decisions, because you'd be beating your head against the wall for absolutely nothing. I don't understand how a bureaucracy can see 55%—even at that lower grade—of their decisions overturned and continue day after day after day to do the same thing that they know they're going to lose. I don't understand that.

Surely the ministry should turn around and say, "We're not going to win these cases. Let's not expend the energy on this. If we're going to lose them, allow them in the first place and don't put people through all this and the additional work, and concentrate on those areas where we know we're likely to be upheld." That's what I don't understand. Maybe you can explain to me why you would allow 72% or even 55% of cases to be overturned. There has to be something really wrong with this system.

**Ms. Marguerite Rappolt:** I'm going to comment on two things. I think one of the things that you're framing is our need to ensure that our adjudicators have the benefit of understanding trends and directions that our tribunal is going in so that we can be better informed. Similarly, we want our independent tribunal members to ensure that they have, very transparently and openly, all the materials we're offering to our staff regarding how decisions are made.

I think there were some observations about the need for ensuring respect for the roles of the parties and the independence of the tribunal, but a commitment to the appropriate exchange of information. We are doing some things to improve the knowledge exchange—let me say that—between the two parties. That's one thing I want to mention.

The second thing I want to mention is the question of what is a good overturn rate. That's a difficult question to answer. I would say that an important figure is that in fact 9%—that number has gone down as well in the last while, but right now it's 9%—of our disability adjudi-

cation unit decisions are overturned by our tribunal. Okay? Of all the decisions made at the adjudication level, we have 9% of all those decisions overturned.

So I take your point—what is the right number?—but that's something we have to be mindful of in terms of the total work and outcomes of our disability adjudication unit.

**Mr. Michael Prue:** How much time—

**The Vice-Chair (Mr. Peter Shurman):** You've got five more.

**Mr. Michael Prue:** Five more minutes—then one last question, perhaps, on this. Are the adjudicators hired separately and apart? Are they a separate unit from the ministry? I don't understand whether they're appointed separately or whether they are part of the bureaucracy but simply hold a different function.

**Ms. Marguerite Rappolt:** Thank you very much for your question. I believe your question is not regarding our tribunal adjudicators, of course, but rather our own disability adjudication unit. That unit is part of, I will say, my colleague Alex's branch. I'll just let him talk about that unit and some of the changes that have evolved and progress we've made in staffing that unit.

**Mr. Alex Bezzina:** It is, just to be clear and responsive to your question, part of my organization; it's part of the bureaucracy. About 10 or 11 years ago, we centralized the disability adjudication function from across the province. It used to happen at all the local offices and we centralized it, for a couple of reasons: first of all, for efficiency reasons, and secondly, to ensure that these adjudicators were learning from each other and creating a knowledge practice that could improve their adjudication decision-making.

We have about 48 or 50 adjudicators who work for us right now. They do have training. Many of them are medically trained from either an OT or a PT perspective. Some have mental health worker backgrounds etc. that assist them in their work.

They are overseen in two ways, one through a more generalist management position that ensures from a business practice and a business process perspective they are doing what they're supposed to do. We also have medical oversight that works with management, and the auditor rightly pointed out that we needed to do better work on this. We have improved this, whereby there are regular file reviews by another person who is not employed by that unit, who comes into that unit reviewing the decisions made by staff, going over trend lines with management and ensuring appropriate feedback to the staff.

We've also implemented a process whereby staff themselves, who may not have had this information up until now, are receiving regular reports around their own—I'll use the term "pass/fail rate," so how many they are approving and how many they're not approving, and comparing that to the overall average.

We recognize too that there are certain areas of adjudication—and we're seeing increasing cases in this regard—that are more difficult to adjudicate. As I mentioned earlier in response to another question, when

somebody has a developmental disability from birth, that's an easy adjudication. Of the adjudication that is done, there are two levels: one done at triage—and if it's a clear-cut issue, it's granted at triage. Twenty-five per cent of cases that come through the adjudication unit—there are about 38,000 or 40,000 that come in every year—are adjudicated at triage level.

But we need to ensure that our staff are trained on more complicated types of adjudications, such as adjudications of medical conditions where the documentation that's able to be provided by medical practitioners is less clear: environmental sensitivity issues, chronic pain, mental health issues, issues that do not appear to have, based on objective medical tests, a lot of supporting evidence, and yet the individual seems to be experiencing some significant issues and limitations. That's where we're focusing a significant amount of our training right now, to support staff with those more difficult types of adjudication decisions.

**The Vice-Chair (Mr. Peter Shurman):** Time's up. Thank you very much. Over to the PCs and Mr. Ouellette.

**Mr. Jerry J. Ouellette:** Some of us would know here that the process during fiscal initiatives within government is such that a directive comes down that in this particular station we're looking at cost-recovery methods; it goes out to the bureaucracy and then recommendations come forward to the minister, which the minister then moves forward and acts upon. Why would it be that the special diet allowance would be one that would be considered for the process that it's currently in?

**Ms. Marguerite Rappolt:** I will attempt to address the question, and you'll kindly let me know whether I've got it or not. I think you're asking why the government is proceeding to have announced the completion of the special diet program.

1410

**Mr. Jerry J. Ouellette:** I would imagine that the recommendation came forward from the bureaucracy to the minister as being, "Minister, we would have a minimal impact on our stakeholders at that time if this particular program was no longer in existence within our ministry."

That advice normally comes from the bureaucracy to the minister, who then makes the announcement on behalf of the recommendations they received.

Why would this process come forward from the bureaucracy regarding this file?

**Ms. Marguerite Rappolt:** Thank you very much for your question. I'll say the following: It's my understanding that the special diet program is one, of course, that's been in existence for some time. Certainly, as the auditor noted in his work and his team's work with our staff and the staff in municipalities—I acknowledged earlier that chapter 3.11 of the auditor's 2009 report dealt in a little more detail with the special diet program.

I think it's fair to say that the trend lines regarding the special diet program, in terms of cost and usage, had been noted for a period of time. The Auditor General,

with his team, spoke with front-line staff, obtained data and offered recommendations—their own assessment—to government based on their sense of many “questionable payments”—I believe that was the phrase—and some concerns about potential misuse.

I noted earlier in my remarks that we also have a human rights tribunal decision, which has identified that the current model of the program is discriminatory. Those are two important findings that I believe influenced the government and caused the Minister of Community and Social Services to be very thoughtful about this program. The result is, of course, that our government announced in the 2010 budget that the program as we know it, the special diet allowance, would be eliminated, but we are going to be introducing, as was noted, a nutritional supplement program to meet the needs of people with severe medical need, and that program would be administered through the Ministry of Health.

**Mr. Jerry J. Ouellette:** So what structural changes took place that would have a budget of \$6 million, in the period that it was reviewed, move to \$200 million? Why was there such a huge increase? What were the changes that came forward that allowed that huge change? Obviously, when you get changes like that, a government would review the file to say, “We’ve had huge increases in this and what is the reason is for that?” What would those reasons be, from your perspective?

**Ms. Marguerite Rappolt:** I think I’ll ask my colleague David Carter-Whitney to talk a little bit about how the program has evolved over the course of the last number of years.

**Mr. David Carter-Whitney:** Thank you. As the deputy minister has indicated, this is a program that’s been in existence for a long time and up until 2000-01, the budget was quite small. It was under \$10 million; it was \$6 million. What we saw was, in fact, a public campaign. There was an awareness and an effort to encourage people to access the special diet allowance as a means of increasing their amount of financial assistance.

The program had been fairly flexible in its origins, for various reasons, and we began to see an increase in expenditure. We were also approached in 2005 by, in fact, the Ontario Medical Association, which indicated to us that doctors were complaining, that they were feeling pressure around the application forms and the process by which people were coming to them.

You may be aware that the ministry implemented changes in 2005 to strengthen the integrity of the program. The application process was changed to make it more accountable; there was a new schedule that was created that moved from asking doctors to describe the diet required to asking doctors simply to confirm the medical diagnosis. Therefore, the accountability trigger was that the health care professional would identify the medical condition that required treatment. The older form simply indicated type of diet. We adjusted the amounts that were provided and changed certain conditions as well. What we saw at that point was, in fact, a bit of a decline for about a year and a half, and then the increased

trend lines continued, so there was a significant cost increase.

The Auditor General’s report also indicated that there are concerns around the number of conditions being identified, the prevalence of conditions and multiple family members with the same array of conditions. The result of some of those changes has meant a complex legal environment as well. So all those things combined, I think, to influence the government’s decision.

**Mr. Jerry J. Ouellette:** You mentioned some statistics regarding case review, and there were, I believe, 1,600 charges effectively laid. What is the average length of time for the review of a case?

**Ms. Marguerite Rappolt:** Just to clarify, is your question regarding the average length of time for a caseworker to make a decision regarding entitlement? Of course, there’s a financial element as well as the disability adjudication element. Is that the question, may I ask?

**Mr. Jerry J. Ouellette:** It’s a lead-in to the fact that you’ve got 27,000 complaints; 2,200 where charges were laid. How many of those 27,000 cases were actually reviewed? If you’re looking at half a day per case, that’s an extraordinary amount of person-hours of time to review 27,000 complaints to get 2,200, with only 1,600 charges laid.

**Ms. Marguerite Rappolt:** Thank you very much for that clarification. Your focus, then, is obviously on the caseload dealing with alleged fraudulent files. As you note, over a period of time—since 2004—more than 2,200 suspected fraud cases have been referred to the police, and that number of referrals has resulted, in the same period of time, in 1,600 convictions. Just so I understand, I think that’s what you’re asking us to comment on.

**Mr. Jerry J. Ouellette:** When you first mentioned it, you mentioned the figure 27,000; is that correct?

**Ms. Marguerite Rappolt:** If I have it right—

**Mr. Jerry J. Ouellette:** You mentioned during your opening remarks that there were 27,000 tips that came in.

**Ms. Marguerite Rappolt:** I take your numbers at face value. My note here says 21,000 calls or faxes received via the hotline—maybe that’s what we’re talking about—and emails—

**Mr. Jerry J. Ouellette:** And how many of those were actually acted upon in order to get to the 2,200 number?

**Ms. Marguerite Rappolt:** Thank you very much. I mentioned the process, at a very high level, in terms of how the tips to the hotline are referred to the local ODSP office, the assessment that is done at the local level, and then, where there is reason for concern, some validation of the concern, the fact that cases of potential fraud are then referred to an eligibility review officer. I would like to ask Alex to talk in a little more detail about that process.

**Mr. Alex Bezzina:** The deputy’s data of 21,000 refers to this past fiscal year, which is a different fiscal year than the one the Auditor General’s number of 27,000 refers to, but you can see the magnitude of types of calls

and faxes that come in to the welfare hotline. Many of those calls are dealt with immediately. People don't understand, for example, that somebody who is on social assistance is allowed to have a vehicle; it is one of the things they are allowed to have. They also work, which people don't understand. Many of the calls that come in are dealt with through provision of information, or receipt of information, but there's no further need to move on because they're calling to report that somebody has a car—

**Mr. Jerry J. Ouellette:** So how many, then? The point is that we had roughly 2,200 cases. What percentage is that a success rate of for complete reviews? Is that 10%? What percentage did you act upon? Or is it 100%: We only acted on 2,200, and we got 2,200 individuals that we found were abusing the system?

1420

**Mr. Alex Bezzina:** Your question is a good question. The point the Auditor General made in his report was that the fraud tips were not being acted on in a timely enough way, not that we weren't acting on them. They just weren't happening in a timely enough way. Again, I think in some cases that this is a volume question—

**Mr. Jerry J. Ouellette:** You don't have an answer?

**Mr. Alex Bezzina:** Well, I could get to an answer.

**Mr. Jerry J. Ouellette:** Okay.

**Mr. Alex Bezzina:** All the cases are referred to the local office to determine; all the tips that come in are referred to the local office. An initial review is done to see if there is anything of concern. If there is something that requires further work, it goes to an eligibility review officer—

**Mr. Jerry J. Ouellette:** And what is that number?

**Mr. Alex Bezzina:** I don't have that number off the top of my head.

**Mr. Jerry J. Ouellette:** Thank you. Okay. The next question, then: What percentage of the budget goes toward administration costs, and what actually goes toward client payout?

**Ms. Marguerite Rappolt:** Just allow me to get to my numbers sheet.

I think the number \$3 billion was mentioned earlier—I'm going to deal with the 2009-10 fiscal year, this past fiscal year. The ODSP financial assistance program: We allocated \$3.3 billion to that effect. In addition, employment assistance, which is another critical element: \$42 million was allocated in fiscal 2009-10 for employment assistance to ODSP clients.

I will offer to you that financial employment support direct operating expenditures were to the effect of \$238.9 million in fiscal 2009-10. I hope that answers your question. If there's further information that we can bring forward as a follow-up, I'm very happy to do that.

**Mr. Jerry J. Ouellette:** Mr. Shurman has some questions.

**The Chair (Mr. Norman W. Sterling):** Mr. Shurman.

**Mr. Peter Shurman:** Thank you. I want to go back to some other subjects, notably to one of the key findings in

the auditor's report that appeared to suggest that the ministry was disregarding—I would even say flouting—the legislation in terms of medical reassessments. What it found was that you just don't do any, or at least you didn't do any from 2002 on—that would be as of the issuance of the auditor's report.

What are you doing now? Have there been any medical reassessments done at all? If not, why not? If so, how are you handling the backlog?

**Ms. Marguerite Rappolt:** Thank you very much for the question on the subject of required medical reviews. I think my colleague Mr. Bezzina talked about this to some degree earlier, and I'll note a couple of things.

Previous reports done by our auditor and other reports done by the Ombudsman as well focused on the timeliness of the reviews. I think it has been noted—the auditor noted—that we've made notable progress. We have attended to ensuring that the medical review process is done in a more timely and appropriate fashion.

**Mr. Peter Shurman:** Have you done any reassessments, Deputy Minister?

**Ms. Marguerite Rappolt:** Yes. Your question, though, is, have we done the required follow-ups and reassessments? I'll let Alex say it again in a little more detail, but we absolutely acknowledge that this is not something we have attended to in the way we should have over the past number of years. But in this last year, we have reinitiated our medical review processes, we have targets, we have a plan in place and we are proceeding with medical reviews.

I'll ask Alex to just say a bit more.

**Mr. Alex Bezzina:** We did start last May with issuing 100 requests per month for individual clients to resubmit medical information; what we call the disability determination package, or DDP, needs to be redone. We started this on a pilot basis, as I mentioned earlier. I acknowledge we hadn't been doing it, so clients may have been told at the outset that they had a medical review coming up, but they've not experienced one. So we wanted to make sure that clients understood what they were going to have to do, what the implications were of a decision that would indicate that they were no longer qualified for the program and what rights they had after the fact.

We've started slow. We have issued, as of this past April 1, about 1,200 DDPs—disability packages—and we have received 62% back, and of the cases adjudicated we have found that approximately 60% are individuals who continue to have a disability—

**Mr. Peter Shurman:** Sorry. That percentage again?

**Mr. Alex Bezzina:** Sixty of the ones that we've adjudicated—

**Mr. Peter Shurman:** Of the 62%, 60% continue—

**Mr. Alex Bezzina:** Sixty per cent continue to have an ongoing disability as per the act. Another 18% have been found not to be disabled from the perspective of the definition that's in the legislation. For the remaining approximately 20% or 22%, there was more medical information required in order to do a full adjudication of

that particular case, so additional information has been asked.

**Mr. Peter Shurman:** And approximately what's the number, if you could snap your fingers and have everything completed today, that are outstanding for DDP?

**Mr. Alex Bezzina:** When we use the term "outstanding," we're talking about those individuals who have review dates that are in the past.

**Mr. Peter Shurman:** Yes; bringing things up to today.

**Mr. Alex Bezzina:** Right. It's about 15,000 that have overdue review dates.

**Mr. Peter Shurman:** Do you have a target?

**Mr. Alex Bezzina:** At this point in time, our target was to do 100 per month—we did not put additional staffing on this; we've added it to the work of the existing adjudicators—and to conduct a review after a year of implementation. That year is now coming up because we started at the end of last May. We'll do a review of the process to see whether we can ramp up further, whether we have staff become more comfortable in doing this work and whether we can tighten up the business processes so that we can get more done.

**Mr. Peter Shurman:** Okay. So we've taken a look at the fact that you had no medical reassessments or, as you call it, DDPs. You've now gotten that process started. You have some achievement and some optimism for the future. We'll take that at face value.

I'll ask a question which is again going over some territory that has been explored, and that is supervisory reviews, which have been essentially non-existent for a period of time. A lot of that has to do with the discussion we've had about computer availability and the fact that access has not been the way you'd like it to be and there's some readjustment. Are you doing supervisory reviews and are you satisfied at this point that there has been any progress made there at all?

**Ms. Marguerite Rappolt:** I will ask Mr. Bezzina to respond.

**Mr. Alex Bezzina:** We have indeed started supervisory file reviews again. The expectation had been there, but there were not consistent business processes associated with it in all 45 of our ODSP offices across the province.

We have now developed a consistent approach and methodology. We've documented that. We've put it in a training guide for our managers, and in the middle of April, just about three weeks ago, we brought our managers in for a training session and walked them through what the requirements are, not only for conducting the supervisory file reviews but also for documenting and ensuring that I'm receiving the reports that I need—

**Mr. Peter Shurman:** I've got to interrupt you. I listen to that answer and I've got to tell you, I'm flabbergasted. You've got a new training guide and you brought them in three weeks ago to tell them what to do, and these are supervisory personnel who, I'm sure, have been around,

in some cases, for years. What were they doing until you did this?

**Mr. Alex Bezzina:** They were primarily using the reports that come out of the SDMT system to flag issues. They were not consistently—and that's the term I will focus on—undertaking file reviews in a business practice that looked exactly the same in all 45 offices. I've changed that—we've changed that—and the training that we did was to ensure that everybody understood the new process, the new requirements and the documentation requirements associated with that.

1430

**Mr. Peter Shurman:** Okay. Average wait time: I'd like to deal with that for a second. This was flagged. If I'm reading my notes correctly, the average wait time was reduced but the delivery times were significantly increased, so what you had was 53 days versus a legislated limit of 21 days. Why would that happen? It seems to me that if you had the facility to do a review of need and approved that on a more expedited basis, the need, once identified, would really put somebody in dire straits if they had to wait 53 days for the first cheque.

**Ms. Marguerite Rappolt:** I may ask Alex to say more, but I think you've highlighted two important pieces of data. One is the finding of the Auditor General with regard to the timelines associated with disability adjudication decisions. That's where, due to a focus over the last number of years, we've come in, reducing the time it takes, and that's the 53 days, in association with that process.

I believe your second point is with respect to the target we have of 21 days for an ODSP client to receive their payment.

**Mr. Peter Shurman:** Okay, so where are we? Bring me up to date on the figures as they would stand, say, today and where you want to go.

**Ms. Marguerite Rappolt:** Perfect. I appreciate that. I think the first one is alive and well. That is about exactly where we're at for the adjudication time frames.

**Mr. Peter Shurman:** Twenty-one?

**Ms. Marguerite Rappolt:** The 53; the adjudication time frames.

**Mr. Peter Shurman:** Okay.

**Ms. Marguerite Rappolt:** But with regard to the timing with respect to the release, having the ODSP payment go out, I believe that's the 21 days.

I'm going to suggest that Alex give you the update on that.

**Mr. Alex Bezzina:** When an individual applies for ODSP, as I mentioned earlier, a good number of them might come from Ontario Works initially, and then another good number of them might come from an independent self-referral.

If an individual is in financial straits when they apply and they are not on Ontario Works when they apply, they are referred to Ontario Works for more immediate financial support. I just wanted to make that clear, that while the adjudication of disability takes place, they are

referred to OW and receive Ontario Works payment while waiting.

You are correct, however, in noting that we need to do better at follow-up after adjudication. Once an adjudication is made, we're not getting the cheque out in a timely enough fashion—the 21-day legislated time frame. We do have a plan in place for improving that particular metric.

I will point one thing out, though. Even if we are late at that 21 days, the payment for ODSP is retroactive to the decision date—I should say to the eligibility date.

**Mr. Peter Shurman:** That makes it all better, then. I'm sorry; I couldn't help but be facetious.

**Mr. Alex Bezzina:** It doesn't make it better, but I wanted to assure you that people are not being left in financial straits. We are supporting them financially through the OW program. But it doesn't make it better, and I acknowledge that.

**Mr. Peter Shurman:** Thank you very much.

**The Chair (Mr. Norman W. Sterling):** Ms. Van Bommel?

**Mrs. Maria Van Bommel:** I want to go to the part of the auditor's report that deals with overpayment. In an earlier response, Deputy Minister, you quoted the number of \$663 million that you said had sort of accumulated over a long period of time. To start this conversation, could you just tell me what you mean by "long period of time"?

**Ms. Marguerite Rappolt:** The \$663 million was the amount noted by the auditor with regard to the cumulative overpayments for our ODSP program.

I will just note: We're all aware that references were made, of course, to a larger number, which was the total amount of overpayments. It's well over a billion dollars when one looks at Ontario Works overpayment as well.

Of the \$663 million, I noted earlier that about two thirds, 63% of that outstanding ODSP payment, was generated more than five years ago, suggesting that the triggers for overpayment—which are, as I've noted, work, changes in living arrangements, decreases in rental fees and so on—are common. This is a program which I describe as being very dynamic. Every month, it is regularly expected that clients report changes. When you have that dynamic program over a long period of time, it lends itself to accumulating this amount of overpayment.

So to answer your question, around two thirds of it was generated at least five years ago and over 60% of the current debt, the \$663 million, is from cases that are now inactive. We have two categories of caseload associated with the overpayment amount: those resulting from cases that are in the system right now, and those that our overpayment recovery unit is particularly charged with addressing—and those are what we call the inactive cases, those cases who are no longer clients of the ODSP system.

**Mrs. Maria Van Bommel:** When you say 63% are over five years old and you carry that forward, that implies that they are somehow collectible. But when I look at the auditor's report, he cited two particular in-

cidents where—and I understand why you can't recover a large sum of money in a field where people don't have the money. Basically, the money they have is what you're giving them to begin with.

So when he cited situations where it would take 650 years to collect the outstanding amount, and in another situation where he cites 147 years to collect, to the average taxpayer, when we say that that's out there, that's seen as an "accounts receivable," in the business term, as taxpayers would understand, which is an asset. In the average business, people would at some point consider something to be a bad debt. So my question to you is, where do you determine that the overpayment is no longer recoverable and that you need to write it off?

**Ms. Marguerite Rappolt:** I appreciate the question very much, and behind it is likely quite a complicated answer—

**Mrs. Maria Van Bommel:** It tends to be.

**Ms. Marguerite Rappolt:** Yes, because we need to consider the issues, I suppose, of writeoff—not forgiveness of debt, but writeoff of debt—with regard to our broad caseload. There is a process in place for active cases and then there are considerations regarding writeoff for the so-called inactive cases, the money associated with debt, not associated with our current caseload; past caseload.

I would just say there are protocols and practices in place for our staff who sit in our 40-some locations throughout the province as to how they report on this through their verification, reviews and assessments. We also work with respect to the inactive caseload in considering when and to what degree all avenues have been exhausted with regard to collection efforts. We work with other parties in government assessing controllership models and so on as to when that debt can be considered debt that should be written off. These are all matters that we take into consideration.

**Mrs. Maria Van Bommel:** So in a situation where we have 650 years to collect this back, there has to be a saw-off somewhere in that, because it's not realistic to think that the descendants of this person are going to somehow pay this debt. How do you calculate that, then?

1440

**Ms. Marguerite Rappolt:** I'm going to let my colleague Mr. Bezzina carry on with the answer.

For active cases, we noted earlier that of course we always take into consideration ability to pay debt. And we have a policy of recovering 5% per month.

I think Alex can say more.

**Mr. Jim McCarter:** Maybe I could just jump in very quickly. I think what you're getting at is, have we really got a good asset here on the accounts, and should there be a reserve and allowance? The Ministry of Finance, when they're doing the consolidated public accounts, basically would have quite a substantial reserve against those accounts receivable, along with a number of other accounts receivable in the government where they're set up and they feel a significant portion may not be collectible. They would be reserved against, so they don't show up as a bona fide asset of the province.

**Mrs. Maria Van Bommel:** That's what my concern was. I was thinking, do the taxpayers somehow have the impression that this is an asset that will be collected and that the government has this money as an outstanding accounts receivable—

**Mr. Jim McCarter:** The other thing, too, as you know, is the Ministry of Finance actually has to get involved and give their approval before it can be formally written off. So it's a dual ministry process.

**Mr. Alex Bezzina:** I'll just make a couple of additional comments on that.

Where possible, we focus our efforts and energy on collecting overpayments, recognizing that there are situations where that's not going to be possible.

For the inactive cases, one of the processes that we've set up is our overpayment recovery unit. And through an agreement with the Canada Revenue Agency, we actually have an agreement through their refund set-off program, where, if an inactive client is eligible to receive a refund from CRA at a federal level, it comes to us, as opposed to going to the client. So we have instituted that. We're making some progress with respect to that.

But there does come a time when we have to look at writeoff. Our current practice is to write off when the client is deceased or when there has been a declaration of bankruptcy. We have not paid as much attention—and the Auditor General noted this in one of his recommendations—to developing a really robust writeoff strategy for outstanding debt, to have that correct determination as to when it is no longer worth the effort of pursuing. So long as a person is on social assistance, however, or so long as there's the capacity to collect, we will try to continue to do that. Where we can't collect, for various reasons, we need a more robust writeoff strategy. We're working on that as we speak. But as Jim indicated quite correctly, we have to make sure our processes are in keeping with the rules set out by the Ministry of Finance.

**Mrs. Maria Van Bommel:** Can you tell me a little bit about the overpayment recovery unit—

**The Chair (Mr. Norman W. Sterling):** Ms. Van Bommel, did Mr. Ramsay have some questions? Because we're going to draw to a close here.

**Mrs. Maria Van Bommel:** Just a quick question about the overpayment recovery unit: When did that start, and how does it proceed?

**Ms. Marguerite Rappolt:** I'll ask Alex to quickly address the question.

**Mr. Alex Bezzina:** We established it in 2004. We put staff in place who will work with inactive cases where there is a debt owing. They contact them or they find ways of contacting them; they initiate payment schedules with individuals; they work with Canada Revenue Agency for the refund set-off process; they see if there are other ways in which the client may want to reduce their debt, and they come up with a voluntary payment program. It's perhaps relative to the total amount owing to the crown, but we've had good success, in that over the last several years we have collected over \$25 million through the efforts of this relatively small group of staff,

but more importantly, we have voluntary payment agreements in place for an additional \$100 million.

**Mrs. Maria Van Bommel:** Thank you very much, and thank you to the Auditor General for the clarification as well.

**The Chair (Mr. Norman W. Sterling):** Mr. Ramsay.

**Mr. David Ramsay:** David, you gave us a chronology on the special diet allowance. I guess it fascinates all of us because of the exponential increase of that over seven years—\$6 million to \$200 million. It's really quite something. I was wondering if you had any more details there, observed year by year, and when did it start to trigger? Because as you said, we did make an adjustment; it went down a little bit, and then it started to escalate again. As you do that, what normally would trigger alarms on anything you're looking at within the system that something abnormal is happening there?

**Ms. Marguerite Rappolt:** I'll ask David to address that.

**Mr. David Carter-Whitney:** No, I don't have the year-by-year numbers right with me. I could provide them later. It's a fairly dramatic graph with a little swing down and up.

**Mr. David Ramsay:** I bet.

**Mr. David Carter-Whitney:** This is a fairly unusual circumstance, quite honestly. It's a program, as I said, that had existed for some time. I wasn't in the ministry at the time. I think there was an awareness of it; there were some decision points that had to be made, and I think it was with some consultation that the changes in 2005 were made. I think we've been watching since then.

We appreciated the insights from the Auditor General; we have looked at options, and this was the decision the government made. I'm not sure what else I can say to you except that this is a fairly unusual circumstance, I would say, in terms of the way this program has evolved and been utilized.

**Mr. David Ramsay:** Would we have processes now in place that would jump on this type of escalating cost more quickly, so that this could not happen again? Are those safeguards in place, that it would be noticed and acted upon in a more timely manner?

**Ms. Marguerite Rappolt:** I'll attempt to respond to the question. With the Auditor General's findings of his questionable-practices concerns, we did undertake a number of measures to support clients and our staff in attempting to shore up our confidence in the integrity of the program. So I think this begins to address your question of what steps we were taking once we assessed the trend lines regarding the use of the program. Certainly we took it upon ourselves to require clients to declare their own accountability with respect to the allowance they received by actually signing a declaration. Our auditor had a number of suggestions regarding how to guarantee further integrity, and this was one measure that we took, following the auditor's advice.

In addition, we supported our field staff—both our own ODSP staff as well as our Ontario Works municipal service providers out there who also administer this—with more information about their role in ensuring the

viability and integrity of the applications they receive. So as the government was considering its direction in this important program, we made sure that we began to take some measures. We also had a referral to the College of Physicians and Surgeons—and the minister has made note of that—regarding a particular concern. So we took a number of steps to make sure we were exercising the oversight with respect to this program that the auditor noted and we felt was warranted. Then, it was the case just over a month ago that the government did offer direction that we were going to be proceeding with the elimination of this program and reintroducing another program to be administered by the Ministry of Health and Long-Term Care.

**Mr. David Ramsay:** I know that you and the Ministry of Health and Long-Term Care are still working on the new program. Is it the idea that they're going to work on the policy and then maybe the administration of that but then you would deliver whatever the outcome is of that to your client? Is that, in a big-picture sense, what the idea is?

**Ms. Marguerite Rappolt:** I would say that this has been a very important program for Ontarians, for social assistance recipients. It deserves, and we are therefore giving it, very careful attention as to what the new picture will be. We have received the policy direction from the government in terms of the new program being a supplement program to address severe medical need. Beyond that—I'm being very forthright—we are in the early stages of design and thinking and policy work, so I likely could not, with any confidence, predetermine what the administrative vehicle would be and what the program design would be. Careful attention is being given and we're working apace, but I think we will await to hear direction as the government proceeds in its decisions in this regard.

**The Chair (Mr. Norman W. Sterling):** Thank you very much for appearing today.

I'll ask members of the committee to stay back a few minutes after the delegation leaves so we can talk to our researcher about what we would include in the report.

*The committee continued in closed session at 1450.*





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Wednesday 12 May 2010

# Journal des débats (Hansard)

Mercredi 12 mai 2010

## Standing Committee on Public Accounts

2009 Annual Report,  
Auditor General:  
Ministry of Health  
and Long-Term Care

## Comité permanent des comptes publics

Rapport annuel 2009,  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTS

Wednesday 12 May 2010

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
COMPTE PUBLICS

Mercredi 12 mai 2010

*The committee met at 1229 in committee room 1, following a closed session.*

2009 ANNUAL REPORT,  
AUDITOR GENERAL  
MINISTRY OF HEALTH  
AND LONG-TERM CARE

Consideration of section 3.06, infection prevention and control at long-term-care homes.

**The Chair (Mr. Norman W. Sterling):** Good afternoon. My name is Norm Sterling. I'm the Chair of the public accounts committee of the Legislature. Today, we are going to consider section 3.06 of the 2009 Auditor General's report dealing with infection prevention and control at long-term-care homes.

In addition to witnesses and people from the Ministry of Health and Long-Term Care, we also extend a welcome to people from Extendicare Canada Inc., Nisbet Lodge and Provincial Long Term Care Inc. Thank you for coming. We hope you find the hearing informative, but we do appreciate your help as well.

We open today with a statement by the deputy minister, Sa  d Rafi. So I would ask you, Mr. Deputy Minister, to proceed with your opening remarks.

**Mr. Sa  d Rafi:** Thank you, Chair, and good afternoon. First, on behalf of the ministry, I'd just like to thank the Standing Committee on Public Accounts for the opportunity to talk to you about the Auditor General's report on infection prevention and control in long-term-care homes. As you mentioned, we have representatives from the homes with us as well. I'll leave them to introduce themselves and their team members. I believe they'll also be offering some brief remarks, as will I.

Let me just start by thanking the auditor and his team for what was, I think, some very thoughtful work and some helpful work to the ministry. Clearly, the ministry takes the health and safety of residents of Ontario's long-term-care homes quite seriously, and we feel it's of paramount importance to the ministry as well.

Long-term-care facilities, as we all know, are home to some of Ontario's most vulnerable citizens, and the ministry takes seriously our role in protecting and promoting their health and well-being.

Our concern and commitment to long-term-care residents has led to the government achieving the most substantive legislative change aimed at the long-term-

care sector in decades. The Long-Term Care Homes Act, 2007, will come into full force and effect on July 1 of this year, when the accompanying regulations take effect.

Countless people have dedicated years to ensuring long-term-care reform is put in place that will safeguard the quality of life and health of residents across the province.

In the area of infection prevention and control, the new act categorically raises the bar on the steps and procedures that long-term-care homes must have in place to protect their residents. It also establishes a much more comprehensive inspection process regarding infection prevention and control. I'd like to underscore the following imperatives that the new act puts into place:

—Provincial inspection will include a detailed annual review of the infection prevention and control program, its procedures and the responses at each of the more than 600 long-term-care homes in Ontario.

—All long-term-care homes will have an infection prevention and control program that includes daily monitoring to detect the presence of infection in residents, as well as measures that prevent the transmission of infections.

—They will have to provide and track various prevention measures, including hand hygiene programs and the immunization of their residents.

—The act will require homes to ensure the presence of infections in residents is monitored and recorded and that this information is analyzed daily, reviewed at least once a month to detect trends, with the aim of reducing the incidence of infections and outbreaks.

These enhancements of infection prevention and control measures are in keeping with some of the best practices set out by the Provincial Infectious Diseases Advisory Committee. The changes will also address a number of the issues and concerns raised in the Auditor General's report.

Further to this, the province is also in the process of a massive redevelopment to modernize long-term-care beds across the province. The ministry knows that newer long-term-care homes have fewer infections. The three homes audited in the report were designed to specifications dating back to 1972.

The province has worked continually to modernize long-term-care beds, introducing 20,000 new beds between the years 2000 and 2006. The current redesign plans call for larger rooms that have a maximum of two

beds and that all have wheelchair-accessible washrooms. This will help homes to keep residents with infectious diseases adequately separated. The ministry plans to redevelop 35,000 beds in older long-term-care homes over the next decade to improve the quality of those accommodations.

Thirty-seven long-term-care homes, representing approximately 4,200 beds, have already committed to the redesign during phase 1 of the strategy, and the goal is to renew approximately 7,000 beds every two years. Phase 2 of this bed redevelopment is slated for early 2011.

I'd also like to make it very clear that I well appreciate that infection prevention and control in long-term-care homes is a complex and multi-faceted issue. They are first and foremost homes to elderly residents, who are more susceptible to acquiring infection because of their age and health conditions. Of course, every home is unique, with a different population mix.

Infections can be acquired in a range of settings, including hospitals and the general community, and brought into the home as well. The complex continuum of infection prevention and control requires us to embrace a systemic and collaborative approach in protecting residents from the spread and transmission of infections.

There are five distinct partners in the health system that are responsible for infection prevention and control. They all have complementary roles with respect to inspection, regulatory oversight, accountability, best-practice promotion and capacity-building. They are:

- the ministry's performance improvement and compliance branch, and I have with me Tim Burns, who's the director of that branch;

- the public health division in the ministry, which has a strong partnership with the local public health units across the province;

- I mentioned the Provincial Infectious Diseases Advisory Committee;

- 14 regional infection control networks; and, of course,

- the local health integration networks themselves.

All these partners work closely together but play very distinctive roles. For example, the regional infection control networks, the RICNs, are designated to coordinate infection prevention and control activities and also to try to promote a standardized set of practices in health care facilities across Ontario.

PIDAC, or the Provincial Infectious Diseases Advisory Committee, provides the chief medical officer of health and her colleagues across the province with advice on issues such as standards and guidelines for infection control and emergency preparedness for any infectious disease outbreaks.

The compliance branch is responsible for monitoring, inspecting and evaluating whether all long-term-care homes in Ontario comply with a range of provincial requirements. But what is most crucial is that all the essential players are working in concert to promote and protect the health of long-term-care residents.

Collaborating with health system partners plays an important role in enhancing infection prevention and

control at long-term-care homes. It's through partnership that the Just Clean Your Hands hygiene program was specifically adapted to the sector in October 2009 and implemented in homes at the beginning of this year.

Through partnerships, the ministry assembled a joint task force on medication management that examined issues related to medication management in homes and their impact on the quality of care and the quality of life of residents. Through collaboration, the ministry will in the fall of 2010 engage the regional networks, homes and other stakeholders to discuss how best to meet the recommendations of the 2009 PIDAC best-practice document, which helps in routine practices and precautions in all health care settings, not just long-term-care homes.

This is a community that will continue working diligently in partnership to ensure that some of Ontario's most fragile citizens are offered the protections they deserve.

I would like to turn it to the heads of the long-term-care homes who are with us today. They can introduce their team members and perhaps say a few words. I think we'd all be pleased to take your questions after that.

#### NISBET LODGE

**The Chair (Mr. Norman W. Sterling):** Just state your name and then make your presentation. Perhaps we can go down the line, so to speak.

**Mr. Glen Moorhouse:** Good afternoon. My name is Glen Moorhouse. I'm the executive director at Nisbet Lodge. Just behind me in the back row are Ama Amoa-Williams, who is our director of care, and Roxanne Adams, who looks after human resources and staff education.

We're pleased to be able to share with you some background on our organization and provide a few general comments on the Auditor General's report on infection control.

First of all, I'd like to say just a little bit about who we are and what we do. Ama is a registered nurse who has worked in long-term care and acute care for about 15 years. She has been Nisbet's director of care for the past three years. She also works part-time at Toronto East General Hospital. This is a valuable connection for us since it is our local hospital.

Roxanne Adams is director of human resources and staff education and also oversees continuous quality improvement. She has nine years' experience in the long-term-care field, some of which was at Extendicare. Prior to coming to Nisbet she had a private human resources practice. She also has her masters in adult education and has taken the administrators' course through OANHSS.

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One of the innovative projects she has been involved with is benchmarking quality indicator data with 20 other homes. This informal network is called the Alliance Group of Homes.

I have worked in the seniors' field for the past 30 years; I don't have my senior's card quite yet. About one

third of the time has been spent in long-term care and the other two thirds in the community sector. Over the last eight years I have been the executive director at Nisbet Lodge, and prior to that was ED at the St. Clair O'Connor Community.

Nisbet is a faith-based charitable organization that has served the seniors of east Toronto since 1973. Nisbet provides both long-term care and seniors' housing. Nisbet is a 103-bed long-term-care home; and McClintock Manor, a 62-unit seniors' apartment building.

Nisbet opened in 1973 and originally was a retirement home. By the early 1980s, those first residents had aged in place. The home was funded for two floors of what was then called extended care, and eventually the whole building became a charitable home for the aged. Nisbet has been accredited with Accreditation Canada since 1997.

Nisbet is a C home and, as such, has to redevelop within the next 10 years. The board has had an active redevelopment committee in place for some time. It is currently exploring redevelopment options that will allow the organization to continue to provide long-term care in the Toronto Central LHIN.

McClintock Manor opened in 1993 and provides a mix of rent-geared-to-income and market accommodation. It was designed as a continuum-of-care model whereby people can move in while independent, access home support services and then, if their care needs increase, move to the lodge.

Through the years there have been many examples of people transitioning from the manor to the lodge. People have also moved into McClintock to be closer to their spouse in the nursing home. The readers of the Beaches-East York Mirror have voted Nisbet as best in the retirement category for the last four years.

Nisbet is blessed to have over 90 volunteers who provide valuable assistance. Without them we would not be able to do all that we do. They help out in many ways, such as providing friendly visiting, serving on committees and feeding in the dining room.

The organization also operates a charitable foundation that raises funds for projects that benefit the residents. Over the years, these have included new hospital beds and resident room furniture and renovating the dining room and lounges. The current campaign, Planning for the Seniors of Tomorrow, is aimed at providing the professional expertise needed to redevelop the home from a C to an A facility.

In terms of the Auditor General's report, we are generally supportive of the recommendations. In fact, about 75% of the recommendations have been or will be in place by June 30. Some of these are:

- updated our infection prevention and control manual;
- implemented the ministry's Just Clean Your Hands program;
- connected with our local regional infection control network and hosted the train-the-trainer program for our area;
- created a housekeeping room-cleaning checklist;

—updated policy and developed a screening tool for FRI;

—updated policy and instituted twice-daily cleaning of rooms where *C. difficile* is present; and

—arranged for our infection control practitioner to receive formal training this fall.

There are two areas that our home flagged during the audit. The first has to do with resources. Nisbet generally does a good job in the area of infection control. Last year, in fact, we did not have an outbreak. We certainly think that infection control is very important. However, to fully implement and sustain these recommendations and those in the new long-term-care act, additional resources are required.

Nisbet is a stand-alone non-profit that does not have the benefit of a corporate head office—sometimes we wish we had one—or the economies of scale of a larger organization. PIDAC recommends that homes have one full-time infection control practitioner per 150 to 200 beds. Certainly at our home, infection control is just one hat worn by one of our registered staff. The auditor's report indicated that the actual number across Canada is 0.6%. We are members of OANHSS and support their recommendation to the ministry on this issue. Their recommendation was that, given the difficulty of finding these highly qualified personnel across the province, the focus should be on providing homes with the resources in the areas of staffing, education and actual infection control expenses.

The second area has to do with cohorting of residents with infections. As the deputy minister said, long-term-care homes are, first of all, homes. The recommendations may be appropriate in acute care but certainly not in our current facility, especially given that residents pay to live in the home. Nisbet does have the benefit of an infirmary, which is used in some situations. The ministry has indicated that this matter will be addressed through the new design standards associated with A homes.

Nisbet was the first home to be audited. I want to say that we found the auditor's team to be very professional and approachable.

In closing, I want to thank the members of the committee for your time and interest in this area. We'd be pleased to take questions at the right time.

**The Chair (Mr. Norman W. Sterling):** Thank you very much, Mr. Moorhouse.

In that the legislative building is a C-class building, I would invite anyone to remove their jackets, because it tends to get warm in here.

Please proceed.

**Mr. David Ramsay:** Are we getting rebuilt?

**Mrs. Liz Sandals:** Only the foundation.

**The Chair (Mr. Norman W. Sterling):** They can only do so much with this building.

Go ahead.

#### PROVINCIAL LONG TERM CARE INC.

**Ms. Christine Ozimek:** Good afternoon. My name is Christine Ozimek and I am chief operating officer of

Provincial Long Term Care, which operates five long-term-care homes across Ontario, including Regency Manor in Port Hope. With me today and seated behind me is Catherine Allison, our director of operations for nursing services for all of our homes.

I speak on behalf of our company and on behalf of over 350 employees whose job is to provide best-in-practice care for residents across Ontario. Regency Manor is home to 60 long-term-care residents. Within that complement, we have 56 long-stay residents and four beds designated for short-stay or respite care residents.

I want to start by saying that like my colleagues who are with me today, the safety and care of the residents of our home are at the core of what we do. Families entrust us to care for their loved ones and in turn, we know that it is our responsibility and our duty to provide their vulnerable loved ones with the highest level of care possible. It is for that reason that we were very pleased to work with the Auditor General on this report. We appreciated the constructive approach the auditor and his staff took to understanding the impact infection can have in long-term-care facilities. We appreciated the focus on using both science and best-in-practice care standards for reducing the risk of infectious disease from spreading to or among our residents.

We are working together with the Ministry of Health to ensure that the most effective steps possible are being taken for the prevention and control of infections in our facilities. As a result of the work with the auditor and his staff, Regency Manor is pursuing initiatives pertaining to all four areas of recommendations arising from the report, with progress being made in all areas.

Here's a real-life example of some steps that we have taken to reduce the spread of infection in our facilities. I'm sure that if any of you have walked into a hospital or a long-term-care facility in Ontario, you would have seen hand sanitizers installed at virtually every entrance or exit. That's a very visible sign to people entering facilities, both staff and visitors, to use preventative measures to stop infection. The importance of hand hygiene is highlighted in this report and others before it.

As a result of working with the auditor, we have a renewed focus on handwashing. Before the auditor's report, our homes had hand sanitizer available at the entrances, exits and various stations within the home. We know that washing hands before and after contact with residents or their environment is a key aspect of preventing the spread of infection.

Some changes are being made in our homes with regard to this. To facilitate appropriate handwashing at the correct times, we are increasing access to hand sanitizer throughout our homes with the installation of permanent stations in each resident room. Additional surveillance of handwashing is taking place with monthly monitoring. Staff education is emphasized and aided through the use of Glo Germ, a product that, when coupled with UV light, demonstrates any contaminants left on hands after washing. These are simple acts, yet part of improving the process and outcomes as a whole.

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In addition to implementing the recommendations of the auditor's report, we have taken further steps to help fight infection in our facilities. As recommended in the report, the use of antibiotics is periodically reviewed in our homes. Currently, the information available to us is primarily the number of prescriptions in the home by antibiotic type for individual residents or on a population basis. This information has limited use.

To improve antibiotic stewardship, antibiotic prescribing needs to be tracked against the type of infection for which it is indicated. To do this, we contacted our pharmacy, MediSystem. I am pleased to report that MediSystem has agreed to implement a change to its database that will allow for tracking and reporting on this type of information. Tracking and reporting gives us the tools to make changes to antibiotic use and creates safer homes for our residents. It is anticipated that the change will take place in the second quarter of this year and will be made available to all providers that MediSystem serve. I should note that MediSystem provides pharmacy services for many providers in the province of Ontario, representing over 20,000 seniors.

To conclude, I wish to express my thanks to the auditor, the Ministry of Health and your committee for working together on finding and implementing the most effective solutions to solving this issue. As demographic changes occur and our society ages, we know this will continue to be an issue that we have to stay on top of and, in fact, for which we need to be ahead of the curve. We must continue to be vigilant in working together to do everything we can to use the most up-to-date science and best-in-practice measures to reduce and prevent the spread of infectious disease among the residents of our long-term-care facilities.

We were pleased to receive the auditor's recommendation and found the audit process to be an opportunity to learn and improve. We continue to make progress in implementing changes in response to this report.

**The Chair (Mr. Norman W. Sterling):** Thank you very much.

Mr. Tuttle.

## EXTENDICARE CANADA

## EXTENDICARE YORK

**Mr. Paul Tuttle:** Good morning, and thank you for inviting Extendicare to be with you here today. My name is Paul Tuttle, and I am the president of Extendicare Canada. With me is Sandra Moroso, administrator of Extendicare York.

Extendicare is a Canadian company that was founded in 1968 and is now one of North America's largest long-term-care providers, with 258 senior care centres and capacity for approximately 28,800 residents. We operate 82 homes across Canada, with 58 of them in Ontario. In addition, we operate ParaMed Home Health Care centres in 22 locations across this province.

Extendicare is committed to continuous quality improvement. Our department of quality and performance improvement is headed by a vice-president and is responsible for supporting and implementing quality initiatives across the organization.

Our goal is to maximize the quality of care, quality of life and, fundamentally, the safety of residents in our homes. In these three baskets I would place infection control in the safety basket similar to, for example, fire safety. So just as we have installed sprinkler systems in all our homes and have hired a fire safety inspector, we continually want to do our best with infection control. We have two certified inspectors in the company and our aim is to have more.

Extendicare York in Sudbury was the home that was selected to be a part of the infection prevention and control audit. York is a home that has faced its fair share of challenges. The building is over 35 years old and is home to 288 residents, so it's a very large older building. The staff is led by Sandra Moroso, the administrator, who is here with me today and who you will hear from shortly. Her commitment to her residents and her ability to empower her team are commendable. Being an administrator in long-term care, especially in the current changing environment, is one of the toughest jobs in health care, in my view.

Extendicare York is a home that has had challenges and today you will hear how York has implemented a number of measures to continue the improvement of their infection prevention and control programs. They have seen a significant reduction in the length of outbreaks and a reduction in the number of affected residents. I know that Sandra, who has expertise and experience in infection control, would be pleased to share more detail with you on these measures.

In conclusion, I thank the Auditor General for this report and others concerning long-term care as they have provided us an opportunity to evaluate our practices and to continuously improve upon them.

**The Chair (Mr. Norman W. Sterling):** Thank you very much, Mr. Tuttle.

The function of the committee is to take the auditor's report and try to make—or we will make—recommendations primarily directed at the Ministry of Health. But it really is our goal to try to improve the administration, to help senior managers impress upon employees, directors or people who are working under them to co-operate and try to improve the system. We know that your challenges are significant in the setting you are in. As well, I'm sure you're aware that we did a report on this very same subject in terms of acute care hospitals two years ago—I think in late 2008—and we recognize that there's a great difference between a home and a hospital.

In that light, we would invite any one of you, particularly those people who are from the operating sector, to make suggestions to us as we go through as to how we can encourage not only your homes but all homes in Ontario to improve their control over infectious diseases.

We'll now move to questions. Mr. Shurman?

**Mr. Peter Shurman:** Thank you very much, all of you, for being here and for the interesting presentations.

We get a number of different things—we meet every week in this committee—and sometimes our jaws drop when we hear horrific stories. This is not one of them. This is, as the Chair has suggested, a bit of give and take, because having had some personal experience with long-term-care facilities, I think, by and large, you do a pretty good job. So my questions will be more to elicit information than to try to cast aspersions or blame.

I'd like to quote from some of the material that was provided to us in briefing and then ask you about it. This is relative to information lacking on health care-associated infection cases in long-term-care homes. What it said was: "Although the ministry ... has introduced a number of initiatives to help prevent and control infectious diseases in long-term-care homes, it" lacks "information on the total number of cases of most HAIs in" these "homes. The information collected at the homes" visited by the audit team "was generally not comparable because the homes defined and counted HAIs" differently.

I suppose I'd like to start with the deputy minister and ask: Why is there a lack of reporting and so much inconsistency in the reporting?

**Mr. Tim Burns:** It's Tim Burns. I'll try to answer on behalf of the ministry.

I would emphasize that I think with the public reporting on compliance records, the public reporting that's available now through the Ontario Health Quality Council and the public reporting on patient safety, there is an overriding commitment to get to a point where we can report publicly with comparable information.

The state of play now is that we're not far enough along in having specifically comparable symptomology that could be comparable from home to home, and we need to consider as well the administrative burden that that might place on homes. So it's a case, I would suggest, where we are continuing to follow through on the general commitment to publicly report but haven't yet got the methodology for it.

**Mr. Peter Shurman:** If I can reduce that to about 10 words—and I'm not being a smartass here—this is about pulling things together. It's not a lack of will; it's about getting things on side.

Specifically, would there be, at this point, a web-accessible reporting form, for example, that would put standardized information into a central database—but interpret what you're saying as: Not everybody in every home would be using it in the same manner?

**Mr. Tim Burns:** Yes. I don't think the methodologies have caught up to our technical capabilities. We have the technical capability; we don't yet have the methodologies that would be consistently in use in our communities.

**Mr. Peter Shurman:** In order for the public or for us to know that from home to home to home—making informed decisions, for example, on the placement of our loved ones—how would we get any benchmarks if

indeed what you're telling us is, and I believe the auditor also underscored this, there are no benchmarks?

**Mr. Tim Burns:** I think I have to say that I accept that. We have to work toward them, toward comparable measures which could be fairly and efficiently publicly reported, but we don't have them as of today.

**Mr. Sa d Rafi:** If I could just add: I think that if you're making a relative choice, we're trying to report on the effectiveness, the service, and resident satisfaction, and then move to other indicators as well. Obviously we need to do more work on the methodology with infectious diseases, but we're also trying to assess the effectiveness, service and quality of homes themselves. That's what our inspection methodology is about. That's what the public reporting through the Ontario Health Quality Council is striving to do for all homes starting in 2011.

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**Mr. Peter Shurman:** I think there's a fair amount of concern, not so much with the idea of a regulatory environment that says, "Here's what you're going to do because at the end of the day we'll get the following result"—that seems to be in place. What doesn't seem to be in place is that consistency and that ability for all of us out here who are not experts in the field or members of the Ministry of Health to rely on the information we're getting.

I'll cite an example that came up again in the auditor's report. Infection control professionals, or ICPs: In most but not all cases, an ICP has been appointed. If my memory serves, the auditor found that there were two appointed in two of the three homes you studied and one didn't have the ICP.

**Mr. Jim McCarter:** Yes, a number of them were appointed but—and this is the same, really, across Ontario—many of them don't have the designation. I think one of the introductory comments referred to that as being a challenge.

**Mr. Peter Shurman:** My concern is that the regulation that requires an ICP to be appointed in each home isn't met, apparently, at this point. So, notwithstanding the regulation that there be one, it almost seems like in businesses over a certain size in the province of Ontario, you have to have an appointed person for security and safety, and he or she has to hold meetings every once in awhile. We all know that in larger companies maybe it's done and in ones that are closer to the limit maybe it's not or maybe there's just a name attached to that position.

What is the situation now with regard to ICPs and the consistency of enforcement of that aspect? And take it beyond that and talk to us about the training that is or isn't there for this person.

**Mr. Tim Burns:** I'd like to start the answer to that question, and I'm going to call on my colleague Lyn Fabricius, because you went on to the inspection and enforcement side—

**Mr. Peter Shurman:** I went on a little longer than I'd like to, but I think it's an important aspect. Please take all the time you need.

**Mr. Tim Burns:** It may have been obvious from some of the deputy's remarks that this particular system is

undergoing a great deal of change at the moment. We have requirements that are now in a manual which, come July 1, will be updated and incorporated into the regulations.

I'll speak about the manual, which has been in place for some years. That now requires all homes to have a designated infection control program lead, and that person is responsible for planning and evaluating the ongoing training of all staff in appropriate prevention control measures. So that's a general requirement that has been in place.

We actually have a colleague here who's quite a bit more expert in this area than I am, who can talk about what we would expect of that person, their general duties, and then what we would do to make sure that those duties are being performed—

**Mr. Peter Shurman:** I'd like to hear that colleague talk about those duties and then, after she does, I'd like to hear whether or not we have the ability to rely on the ministry to tell us that 10%, 20%, 30% or 100% of homes in the province have a person of that quality or calibre.

**Ms. Lyn Fabricius:** I'm Lyn Fabricius. I'm an environmental health adviser with the ministry and I'm one of the ones who specifically inspects against infection prevention and control in the homes.

I would say that 100% of our homes have a designated person who we call an infection control practitioner. We check for that on inspections on an annual basis. As the experts, the environmental health advisers check for that, as well. They have the requirement to hold meetings; we don't say how many, but it's usually quarterly in the homes. The ICP is required to do monitoring, surveillance, statistics and some trend analysis, as well.

I think what the challenge is and where some confusion is, is that as recently as perhaps five or six years—and what PIDAC speaks about is that they want the ICPs to have their certification in infection control, CIC, and that has been a little bit of a challenge. It's usually done by nurses while they are still working—and health inspectors can be CICs, as well. They're usually working in the homes doing this. So I'm hearing it takes about two years, on average, to take the course because they are working full-time. Our regional infection control networks throughout the province are really helping out with this particular program, but it's relatively new, so we don't have that many in place.

**Mr. Peter Shurman:** You don't have that many in place, which means that the answer to my question—are we consistent and in place in 100% of cases?—has got to be, at this point in time, no.

**Ms. Lyn Fabricius:** No. We have 100% infection control practitioners in our homes, but they don't have that certification in infection control. That's the difference.

**Mr. Peter Shurman:** Okay, six of one, half a dozen of the other.

**Ms. Lyn Fabricius:** Yes, okay.

**Mr. Peter Shurman:** What's the degree of reliability—and I'll direct this to the deputy minister.

Apparently, we have 100% in place, but we don't have 100% training. What's your deadline, or what's your target, for having people in those homes who are fully trained and capable?

**Mr. Sa d Rafi:** We haven't established a deadline. We have regulations that will come into effect, and we'll be monitoring, evaluating and inspecting against those regulations. We'd be happy to talk to you about what the inspection requirements are as well as penalties associated with inspection for violating regulatory requirements.

This is a movement that was done over some time, through consultation with the homes. It is one of several recommendations that came out of consultation as well as our own legislative and regulatory requirements.

We haven't put a fixed date on that requirement because we want to give homes the ability to get their individuals trained and in place. Once the regulations are in place, that will give us a little bit more by way of enforceability.

**Mr. Peter Shurman:** Let me move on to another—again, I'll quote one sentence from our briefing material. The RICNs—that's the regional networks—noted in 2008 that "only 15% of non-acute-care facilities (primarily long-term-care homes) used external benchmarks, and 21% did not use any benchmarks at all." Why would that be? That's startling to me. In fact, I would even use the word "frightening," because benchmarks suggest that we can measure things across the board on a consistent basis, and apparently the auditor has found we can't.

**Mr. Tim Burns:** Bear in mind I'm a layperson, so I offer this with modesty. As I reviewed the materials in preparation for this discussion, what struck me was the emphasis in the PIDAC materials themselves on surveillance and the specifics of an individual and the symptoms they're presenting, and how different the dynamics of infection can be from home to home—even within a home—and from community to community, so the straight use of benchmarks sometimes could actually be unhelpful or misleading. It's really essential to look at the symptoms that are being presented by individual residents and to surveil them constantly.

**Mr. Sa d Rafi:** Could I also add that what everybody learned post-SARS caused the development of PIDAC, the committee. Infectious disease outbreak management and methodologies associated with that have really come into the public health realm in only the last several years. I think it's a learning exercise for people in health care overall, not just in long-term-care facilities but in public health, in acute care and elsewhere.

I think these individuals will respond in a minute about their own embracing of these requirements: the government and the ministry's approach to fundamentally restructuring the sector through legislative reform and now regulatory reform.

Those findings are not disputed, certainly, but are also an opportunity to continue to drive the type of change that is really fundamental to the sector.

**The Chair (Mr. Norman W. Sterling):** Mr. Ouellette's going to finish off the next six minutes of this round.

**Mr. Jerry J. Ouellette:** A couple of questions: We know that there is patient movement through a number of the facilities in these homes—location, preference and moving into a preferred location. What are the protocols for infection notification within the facilities? Are there first protocols internally; externally within the entire system; and then throughout the entire health care system? When we dealt with infection control in the past, one of the key concerns was the ability to notify other sectors within various areas. What are the protocols that you have established internally and externally?

**Mr. Paul Tuttle:** If I understand your question correctly, you're talking about—

**Mr. Jerry J. Ouellette:** You have an infection in one location. On a regular basis, we see patient transfer from one location to get to a preferred location, for family reasons, for spousal reasons, for all sorts of reasons. There must be some form of notification within all the facilities for understanding of what infections are taking place and the potential of transfer of infectious diseases throughout numerous facilities.

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**Mr. Paul Tuttle:** With the Chair's permission, I'm going to call on Sandra Moroso, who is with us at Extendicare York. She can tell you in a more concrete way what happens. I can tell you that many of our infections are acquired when people come back from hospital. You wouldn't always know, but you should know and, in most cases, would know. There are certain protocols we have on admission—screening processes—which, again, with your permission, I think Sandra could talk about. It would be very enlightening for the committee.

**The Chair (Mr. Norman W. Sterling):** Good. I think when we were doing the hospitals on the same subject, they were saying that they might get a patient from a long-term-care facility who would bring an infectious disease to them, but it wouldn't necessarily be divulged, or it was unknown. There just didn't seem to be a protocol from here to there. We're interested in the transferring of relevant and important information. As well, we're interested in trying to determine who should be overseeing this. Should it be the LHIN? Should it be the Ministry of Health?

So you're going to call forward—

**Mr. Paul Tuttle:** I'd like to call Sandra to talk about specifics.

**Ms. Sandra Moroso:** Just to answer your question, it's multi-faceted. If a home is in an outbreak, public health is notified immediately, and they're the ones that determine the outbreak.

**Mr. Jerry J. Ouellette:** Is it one case that causes—is that the standard for an outbreak?

**Ms. Sandra Moroso:** There are criteria that have been developed by the PIDAC document. For example, for a respiratory outbreak, if there are two cases over a 24-

hour period, we notify public health, and public health will determine whether or not we continue to do our surveillance or whether or not we actually go into an outbreak.

If we go into an outbreak, public health will determine the outbreak, and they will communicate that to our community providers. In terms of the community providers, they contact CCAC so that they're aware of whether or not we can receive admissions or discharges from our home, and they will tell us whether or not we can discharge to another long-term-care home.

If a resident requires emergency services to the hospital, we do transfer residents who may be in an outbreak to the hospital. There is a transfer form that we use, and we indicate on the transfer form that the home may be in outbreak. If the resident is one of the residents who are actually affected, we do put that on the form as well to communicate that to the hospital.

Over the last couple of months in Sudbury, we have had a very unique partnership with our hospital: the nursing outreach program. This program is on a trial basis. An emergency nurse will come into the long-term-care home to provide some urgent care. We're trying to reduce the number of transfers from long-term care to the hospital. We've just initiated this program.

Part of what the nurse will do is provide urgent care in our home, and if the resident requires urgent care or has to be transferred to the hospital, she will follow the resident in the hospital and provide us feedback when the resident comes back. If, for example, the resident is exposed to something at the hospital, she'll let us know that so that we can prepare and ensure that we have our protocols in place when we receive the resident back.

**Mr. Jerry J. Ouellette:** Is there any communication between the various facilities? Using the Sudbury example: You have the outbreak and it goes to the hospital. Are there other facilities in Sudbury notified of that outbreak?

**Ms. Sandra Moroso:** We go through our community care access centre. There's not a public announcement through public health. There are times when public health will make a determination that they're going to let the public know about an outbreak. It depends on the severity of the outbreak. I have heard on the news, as an example, that there might be a Norwalk outbreak in our community, but that's public health's call.

Generally, we try to do it through the system, so if we're transferring a long-term-care resident to another long-term-care bed, CCAC will make that call to the other long-term-care home. It is their decision whether or not they accept the resident.

**Mr. Jerry J. Ouellette:** Okay.

**The Chair (Mr. Norman W. Sterling):** Could I just ask, is the procedure consistent or the same in the other nursing homes that we're talking about?

**Ms. Christine Ozimek:** Yes, it is.

**Mr. Glen Moorhouse:** We're also part of the emergency outreach program through our local hospital as well—

**The Chair (Mr. Norman W. Sterling):** And are all 600 nursing homes across Ontario in that?

**Mr. Tim Burns:** Yes—and I hope we'll see nods at the other side of the table.

On the question of a transfer of a resident from one home to another, the receiving home would treat that person as a new admission and would implement all the appropriate screening protocols they would for any new resident coming into their home. So, on the receiving side, there would be no distinction between a transfer and a new admission, I don't believe.

**The Chair (Mr. Norman W. Sterling):** And the hospital would get the same kind of information? I'm not seeing a lot of nods.

**Mr. Glen Moorhouse:** We also use the transfer document that my colleague mentioned.

**The Chair (Mr. Norman W. Sterling):** So the hospital receiving somebody from the long-term-care facility would know that the patient had C. difficile or—

**Interjections:** Yes.

**The Chair (Mr. Norman W. Sterling):** Ms. Sandals.

**Mrs. Liz Sandals:** Ms. Carroll has some questions too.

Actually, I find it quite comforting that public health has the lead role in managing infection notification. That's actually what I always understood, in terms of outbreaks.

On this whole business of baseline, it seems to me, particularly in the case of something like C. difficile or MRSA, that you're dealing with something that's likely to be hospital-acquired, and in those instances at least, the baseline is almost what's going on at the neighbourhood hospital and who's coming back from hospital with those infections, as opposed to some absolute background baseline.

Anyway, I wanted to ask about consistency and then public reporting. In one of my local long-term-care homes a few years back, they were talking to me about a pilot they were involved in, which seemed to be a common assessment tool. I'm wondering what has become of that over the last few years and how that would help with common measurement and common communication. Has that matured to be helpful?

**Mr. Paul Tuttle:** I can speak to that, and I'm sure others might add.

One of the things the ministry didn't mention but is a very good thing that has been done is to introduce what's called the minimum data set to the common assessment instrument you're talking about. One of our problems is lack of consistent information. Now, for the first time, I have in front of me—for example, there's a group called the Canadian Institute for Health Information, and we get data through that as well, as you may know. I have 19 indicators in front of me, just a sample, and I can benchmark Extendicare York versus the rest of Extendicare in Ontario versus the province of Ontario through getting data through CIHI. As we go forward, that instrument is going to collectively allow us to know a lot more about the system. But it's not just a system instru-

ment; it helps people at Sandra's level, too, to know exactly what's going on in the universe that's their home. This has really moved us forward in terms of benchmarking, and we appreciate the progress that has been made.

**Mrs. Liz Sandals:** From the ministry's point of view, then, if you've got all the different homes using a common assessment tool and common data systems, does that begin to allow you to start to get some of the benchmarking you need?

**Mr. Sa d Rafi:** Yes, most definitely. I would add, as well, though, that this is a benefit for—as an assessment tool on basically the strengths and the problems and the maladies associated with a particular patient at one end of the system, resident at the other end of the system, that will help emergency departments and CCACs, in their placement, to know when someone should go from acute care services in a hospital, and should they go to a long-term-care facility? Should they go home? Should they go to supportive housing? Should they get some assisted living assistance? Is it palliative care? This resident assessment instrument that Paul talks about, the minimum data set—it's referred to as RAI-MDS—is now getting rolled out not only in all homes that have agreed to take this on, and all of them have, but other facilities in the continuum of care, from the hospital right through to other assessors like CCAC case managers and so on.

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It's a really significant assessment tool that not only helps with benchmarks, but just helps them manage people's care better so that they don't deteriorate while waiting for care. They're actually assessed quickly and they can get occupational therapy, physiotherapy, whatever the individual requires, at the home and right from the hospital as well.

**Mrs. Liz Sandals:** Moving on, then, with the whole issue of public reporting, again it seems to me that a year or so ago I remember a report coming out that did some public reporting around long-term care, because I remember getting media calls: Did I want to comment on my local homes?

My recollection is that that was beginning more to report on complaints data, but I would be interested in a conversation and actually the provider's reaction: What are the indicators that perhaps the public is really interested in getting and what are the indicators that the ministry is interested in seeing? Because from different people's perspectives, I suspect that different indicators may have different import. Which ones would be valid and which ones aren't valid? Because if you don't have apples to apples, they're not very valid indicators.

**Mr. Sa d Rafi:** Really, virtually everywhere in the developed world there is an interest in using quality as the measure of service, whether it's in industry—and health care is no different. So Ontario is moving to establish quality requirements in the full spectrum of care. There is legislation being tabled that will address the hospital sector to begin with, but many times it's the community sector that has been ahead in many respects

with the implementation of quality measures and quality outcomes based on evidence and indicators.

To that end, the province created the Ontario Health Quality Council, individuals in health professional fields who would assess and publicly report on quality measures established, whether it's at the hospital level or—one of their sole mandates is public reporting.

They started, I believe, in 2009 or 2010—

**Mr. Tim Burns:** Early this year.

**Mr. Sa d Rafi:** —in February 2010 to report on—public reporting on long-term-care facilities, on several indicators. Maybe I can ask Tim to address some of those indicators.

Now, it was through a cross-section of homes, but in 2011 the Ontario Health Quality Council, the OHQC, wishes to move to all homes and drill down on these indicators as well that look at the quality of care and the quality of service provided.

Can you talk about the indicators?

**Mr. Tim Burns:** Yes. The indicators that the OHQC is reporting on—I should mention as well that the intent is to go system-wide by 2011. There are 70-odd homes that are already putting forward their data, for which I think they should be recognized, because they are leaders and they are actually measuring themselves publicly on outcomes in a way that the rest of the system is not yet doing.

There are four or five broad domains, which are keeping people healthy, keeping residents safe, the extent to which services are resident-centred, access measures, and there are measures of appropriateness in resourcing.

On keeping people healthy, which speaks to the bulk of the indicators, I think those are almost exclusively derived from the RAI-MDS. They have the advantage of having been captured right at the bedside by the care teams and then aggregated up through the system. Those would include things like bladder function; pain control; mood; weight and nutrition, which are exceedingly important; mobility; pressure ulcers, which is an area where a lot of work is being done to improve things; daily use of restraints, a matter very important to families; potentially inappropriate prescribing through polypharmacy or contraindicated drugs; falls; inappropriate behaviour or inappropriately managed behaviour; and infection rates—urinary tract infection and bladder infection, I believe, are the ones up there now. And there is a series of other indicators. There are 33 in total.

**Mrs. Liz Sandals:** I would be interested in the operators of the homes in terms of your experience, if you have any, with public reporting. Have any of you been involved in the public reporting?

**Ms. Christine Ozimek:** Our home is in the process of working with the MDS system. We haven't graduated yet, so we're not involved yet with the indicators that Mr. Tuttle has spoken about. Of course, public reporting in terms of our compliance is currently available and all homes in the province are participating in that.

**Mrs. Liz Sandals:** Any other comments?

**Mr. Glen Moorhouse:** We're a phase 8 home, so we haven't graduated yet either. But we certainly are supportive of public reporting through the quality council.

**Mr. Paul Tuttle:** I could just add that Extendicare operates in other provinces. This is the only province that we operate in with public reporting or a real regulatory framework that includes an inspection process. We would tend to take what we do in Ontario and export it to the other provinces too because it seems to make sense. You start at the highest benchmark and then you try and do those things in Saskatchewan or elsewhere where we operate. So we take the public requirements here and tweak them a bit and we'll use them elsewhere as well.

**Mrs. Liz Sandals:** Okay. Thank you. Ms. Carroll has some questions as well.

**The Chair (Mr. Norman W. Sterling):** Go ahead, Ms. Carroll.

**Ms. M. Aileen Carroll:** The Auditor General's office prepared for us, as part of our work, a chart which gives a recommendation, and then the ministry response, and then the implementation status as of April. In the first section, which is screening for infectious diseases, it makes reference to the fact that the ministry is increasing base funding for accommodation services and that the increase will be effective April 1, just gone by, and that will mean an increase of \$1.55 per resident per day, or \$565 annually, which comes to over \$43 million for MOH. I know too that \$30 million in one-time funding was committed to support the sector.

I just wondered if you wanted to share with the committee just how this funding, the ministry's funding, increased for accommodation services, will support long-term-care homes if they were to improve the infection prevention and control practices we've been talking about.

**Mr. Saïd Rafi:** The amount of funding that any sector would want or need in terms of their desired level would probably exceed all our grasps. However, the increases have been consistent—not that particular amount, but there have been varying amounts of increase year over year. There has been a 50% increase in overall funding to the sector in the last seven years, which represents approximately a \$1.2-billion increase on a base of about \$2.1 billion, so from 2003, at \$2.1 billion, to 2009-10, about \$3.3 billion. That's one thing.

But I also think the increases belie some of the other changes that the ministry has put in place. Some of the increases over the years have meant that there are more RNs, RPNs and personal support workers in homes. Clearly, there has been an increase, as you mentioned, on the per diem, and that will take effect. But the institution of the regional infection control networks in each region I think has helped as well. Over that period of time, the ministry has surpassed the association's interest of \$6,000 per resident, currently at a funding level of \$7,435 per resident.

I think all those things are great and it's important to talk about the dollar aspects, but also the training that has been put in place. I think what you heard from the heads

of the homes about the simple yet effective steps that have been put in place as well, which are important and bear mentioning—the Just Clean Your Hands initiative; the simple, cheap and cost-effective installation of hand sanitizers in every room; cleaning checklists. We take some of these things for granted, but those are important because they allow a key element in the operational aspects of the home to know what it is they have to remember to undertake on a regular basis—and improve processes and public reporting, and the redevelopment of the facilities, albeit over a long period of time, to bring older facilities up to current standards, which I think is a critical need as well.

You may want to elaborate on that.

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**Mr. Tim Burns:** Specifically, increases this year are—the \$1.55 that formed part of our response here goes into what is called the "other accommodation" envelope. The deputy has been outlining how important it is to manage the whole system and the whole home. The "other accommodation" envelope is where laundry, housekeeping and environmental services come from. Otherwise, the nursing and personal care is direct care to residents. It's important to get both of those right, both the direct care and the building services, if you will.

To the extent that that accommodation envelope should fall behind inflation or there are cost pressures which aren't met there, the concern would be that housekeeping services might suffer, and therefore they're less well positioned on infection control. So a decision was made to augment the funding in that envelope.

The other funding is more specific to the implementation of the act. Final decisions haven't been made, but the commitment has been made for that for over \$30 million, and that will support our continuing investments in training and the like, which will help. Again, it was mentioned how valuable that is in infection control.

**Ms. M. Aileen Carroll:** The reference here is to one-time funding. I'm not sure how one-time funding can support continuing. It's very interesting, and I appreciate the detail you've provided, both the deputy minister and yourself, and it may be an error on our part, but it says that \$30 million in one-time funding has been committed to support the sector to meet the expectations we've—I just want to be sure that when you say I should get my envelope straight, that I am getting my envelope straight. No offence or anything—

**Mr. Tim Burns:** The reason it's listed as one-time now is because—it's provided for in the multi-year plan, but we are just going into a change period where we're trying to understand how best to support the system in implementing the act and how best to retool our own systems within the ministry. Therefore, it would be premature to make a permanent increase in any one area. It's a commitment to the change, but we haven't yet specified for all time where exactly it will land, if that is helpful at all, because the needs will change quite a bit over the next couple of years as the legislation implementation proceeds.

**Mr. Glen Moorhouse:** I know that OANHSS has actually been surveying its members about what potential additional operating costs will come out of the new regulations, and that's an ongoing process.

**The Chair (Mr. Norman W. Sterling):** Thank you.

Can I just clarify something with Mr. Burns? You talked about methodology and your problem in terms of recognizing these particular infections in long-term-care homes. My question to you is—on page 181 of the auditor's report, he says, and we have found out before, that "Ontario hospitals are required to report publicly on several patient safety" factors "including health-care-acquired infectious diseases, such as C. difficile, MRSA, and VRE, and on hand-hygiene compliance" with "health care workers. Long-term-care homes, however, are not subject to similar reporting...."

What's the problem with methodology if we have a methodology already in place with regard to hospitals? Why isn't the same methodology used with long-term-care homes?

**Mr. Tim Burns:** I don't think I'm competent to give you a full answer on that. There are, in fact, as we speak, teams at the ministry that are looking at the viability and meaningfulness of reporting on patient safety indicators in long-term care; for example, handwashing rates and so forth. So what is being done already in hospitals—there is a team actively looking at making that available for homes. That's the issue of hand-hygiene compliance and that kind of thing.

In terms of the benchmarking, this is the part where I just don't feel I could give you an appropriate answer. What I do know, from what I've been reading and in consultation internally, is that there are very unique local circumstances.

I would contrast this with what we've just talked about on the common assessment, which is where there's a lot of science around what constitutes a good benchmark. When your daily use of restraints might be exceptional and needs to be looked at: That's an area where there is a lot more definitive science and the benchmarks would be less arguable, so to speak; whereas, in a given community, in one part of a building versus another, what might be a benchmark—if you picked one, you would run the risk that it's a misleading benchmark. What you really need to do is look at every resident and all their symptoms. According to my understanding of best practice, each home individually has to understand its own baseline on infection and watch for deviations.

**The Chair (Mr. Norman W. Sterling):** But we already have that between hospitals—one hospital and the other hospital. I don't understand. I presume that you would want to have the same benchmarks right across the whole health care sector, be it a person in a hospital or in a long-term-care facility etc. Wouldn't the best idea be to go to the long-term-care association? It's in their interests that there be a consistent benchmark across so that one is not being measured differently than the other.

One of the reasons that we did the infectious disease control report late in October 2008 was because we were

concerned about the urgency of the situation. And the urgency is no less here. We're concerned about infectious diseases in long-term-care homes. My concern is that I'm hearing excuses, and not legitimate excuses, as to why we're not going forward.

**Mr. Saïd Rafi:** Could I ask the auditor to maybe let us know what he found in the way of benchmarking in hospitals for infectious diseases?

**The Chair (Mr. Norman W. Sterling):** Essentially—

**Mr. Saïd Rafi:** Just to finish, I don't think we're trying to give you excuses. I think what we're trying to say is that it's under development and we perhaps just need to give you a better answer. I think both of us aren't able to do so. I'd just like to learn what the benchmarking is because perhaps we're doing things we—

**Mr. Jim McCarter:** We went into the hospitals, and I think the point was, at that time, they weren't publicly reporting. We had made a recommendation along the lines to consider public reporting. As of September 2008, the ministry had basically set out some guidelines, and there is public reporting in the hospitals.

I think my sense is, if I understand the Chairman's question: Can you not just take those benchmarks and apply them to long-term-care homes? But I think Mr. Burns was saying that they think there are some differences that may not be applicable and they don't want to go ahead with that unless they're really sure they're consistent, if I understand—

**Mr. Saïd Rafi:** Yes, and I don't mean to be semantic and I'm not trying to be argumentative. I'm trying to draw a distinction between reporting and benchmarking. I think you've just applied that term interchangeably and I don't believe that's accurate or appropriate. So while I agree with your point on reporting, I'm just trying to query what you found hospitals doing in benchmarking. That's what we'd like to figure out how to imprint into the long-term-care facilities.

**Mr. Jim McCarter:** I think what we found, when we talked to long-term-care homes, as far as benchmarking, is that they indicated that they do track infectious diseases and they wanted to see if they were getting worse or getting better than the historical perspective. We had some feedback from the homes saying, "Locally, if we start reporting between the different homes, we just want to make sure that we have apples to apples so we're not looking bad versus another home." We did get some anecdotal feedback with respect to that, if I could put it that way.

**Mr. Saïd Rafi:** Yes, okay. That helps, actually.

The beginning of the answer is that we are now, I guess, more systematically inspecting homes. We are starting to roll out a software methodology that will be available to inspectors that will allow them to capture mandatory inspections on infectious disease reporting, prevention and control. That will then lead to baseline information for which we might be able to then get to the point you're talking about, which is to say, "Okay, here's the trend analysis. The best in class, through these best practices, identified through the PIDAC reporting, should

have this kind of level of both prevention and control." We're not there yet for certain. We will endeavour to get a complete answer to your query.

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**The Chair (Mr. Norman W. Sterling):** Ms. Gélinas.

**M<sup>me</sup> France Gélinas:** I want to start by saying that I'm really pleased to meet all of you on the panel. Mr. Tuttle, I especially wanted to tell you that I hold some of your team of leadership in Sudbury, both Extendicare York and Extendicare Falconbridge, in very high regard. The Nancy Foreman and Dennis Boschetto team was very—how can I say?—spectacular in what they do. Sandra is certainly a very good replacement. Huge shoes to fill, but she rose to the occasion, and we're really happy to have her as leadership in long-term care in Sudbury.

My first question will have to do with the different homes' relationship to the regional infection control networks. How, in practical terms, has it been useful to you? Because I have a smidge of an inkling as to what your answer's going to be, how could it become more useful to you? Whoever wants to go first, Sandra or—

**Ms. Sandra Moroso:** I would say: Absolutely, it has been imperative that we have a relationship with the infection control network at a variety of levels. First of all, our physicians do access the infectious diseases physician, Dr. Sandre, who's part of that group, if there is any requirement for consultation.

In terms of the network, we access the network for information. We access the network for education. Recently, we went through the Just Clean Your Hands training in March. They provide support on a variety of levels. They provide us with newsletters on upcoming educational opportunities across the northeast. We've been able to send staff to a variety of educational sessions as well as video conferencing. The person who's assigned as our infection control practitioner is going to be going through education to receive her designation or certification in infection control.

We do access the network often. It is a huge resource to us.

**M<sup>me</sup> France Gélinas:** Did you want to talk about anything else that you would like or things that could work differently that would be helpful to your home or to homes in general?

**Ms. Sandra Moroso:** In terms of the regional infection control network, I don't see any other opportunities in terms of improvement, because they are meeting the needs that we have at our current time. Part of that—we've talked a little bit about C. difficile and some of the others, like VRE; those are conditions in our home. Fortunately, we haven't had cases for some time. So in terms of our challenges, it's really looking at common colds. We haven't had to access for those antibiotic-resistant organisms.

**Ms. Christine Ozimek:** My colleague Catherine Allison works closely with all of our homes, so I'm going to call on her to answer your question.

**Ms. Catherine Allison:** The regional infection control network in our area, we use primarily as a resource for

educational support. We receive numerous educational materials from them. That's the primary use that we are doing right now. We also are hoping to get one of our staff to take the non-acute-care infection control practitioner course through that organization.

**M<sup>me</sup> France Gélinas:** Have you have any outbreaks in your home? Could you go through the last one you had?

**Ms. Catherine Allison:** We recently had two small outbreaks. One was an enteric outbreak, and recently there was an respiratory outbreak. The infections were identified very quickly and the proper infection control measures were put in place, and we were able to contain them. We did receive a discharge report from our local public health area that listed that we had put everything in place quickly and were able to limit the spread of infection, and that there were no residents who suffered any ongoing complications as a result.

**M<sup>me</sup> France Gélinas:** Did you know where those infections came in?

**Ms. Catherine Allison:** One was respiratory and one was enteric. It's very likely that they were brought into the home by someone in the community. It's usually how they first come. They don't start on their own. Somebody comes in and doesn't follow the proper procedures.

**M<sup>me</sup> France Gélinas:** Okay.

**Mr. David Zimmer:** Could I just ask: What was that second infection?

**Ms. Catherine Allison:** Enteric, which is gastro-intestinal.

**M<sup>me</sup> France Gélinas:** Talking about bugs being brought in—I will start with you but then I will go to Sandra as well—the auditor does talk in his report about immunization rates for residents and caregivers. Could you talk to me a bit about how this is handled? What are some of the barriers to reaching the ministry targets, both for clients—your residents—and your care providers?

**Ms. Catherine Allison:** Part of our influenza education program each fall entails providing education to our staff, our residents and our families regarding the benefits of immunization. We usually have a nurse from the public health unit come in and provide that education to our staff; we try and promote it that way.

In terms of barriers, people read things on the Internet that are myths, and we try and combat those myths with proper education.

We also have a policy that if we have an outbreak of confirmed influenza A or influenza B and a staff member is not immunized, they would not be allowed to work until they've taken Tamiflu and/or taken the immunization.

**M<sup>me</sup> France Gélinas:** Would you know, at your home, what the rates are?

**Ms. Catherine Allison:** In terms of the—

**M<sup>me</sup> France Gélinas:** Let's say, influenza immunization.

**Ms. Catherine Allison:** Sure. I have that here, if I can just find it. In terms of seasonal influenza this year, 37% of our staff took the pandemic vaccine and 21% of our

staff took the seasonal vaccine. In terms of residents, 86% took the seasonal and 48% took the H1N1.

**M<sup>me</sup> France Gélinas:** We all realize that 21% of your staff taking the influenza vaccine is actually way below the general population. You have put in efforts, with the health unit coming in, with the education. Are there things that the government, the ministry—somebody—can do to help increase those?

**Ms. Catherine Allison:** I'd have to get back to you with a proper answer for that.

**M<sup>me</sup> France Gélinas:** Sure.

**Mr. Glen Moorhouse:** I'd like to speak to that. In addition to staff training, for the last two years we have offered prizes to encourage staff to get the shot. I think one of the challenges this year has been that there have been so many mixed messages about H1N1. Frankly, staff are afraid of long-term implications.

In my opinion, really what's needed is that it has to be mandatory, from the ministry's point of view. Otherwise, I think it will be challenging to get to that 75%.

**Ms. Sandra Moroso:** In terms of our rates—and I agree with what has been said in terms of how we approach immunization—there's another immunization we do on admission as well, and that's pneumococcal immunization. Our rate is 91% within our home for residents accepting that immunization.

Every fall we do an entire blitz of the building. I agree: the residents' council and the family council are really key in terms of getting on board and understanding the purpose of immunization.

Our rate at Extendicare York for residents was 93% in 2008-09. It went down a little bit to 86% in 2009-10. For staff, we run around 85%.

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This past year was a little bit unique, and it was a little unique because of how the influenza and the H1 was released, and the quantities in which it was released. So many of our staff did take the vaccine, but did it externally, which was unusual in terms of a vaccination year. Normally, our staff take the vaccine on-site after education is provided.

What we do see, in terms of staff and resident rates, is that the remainder of the rate is because residents or staff have an allergy to the vaccine itself, and there are some residents who just don't believe in vaccination and don't receive the vaccine.

**M<sup>me</sup> France Gélinas:** So could you give me your staff vaccination rate for influenza again?

**Ms. Sandra Moroso:** Staff vaccination for influenza in 2008-09 was 85%, and then in 2009-10 it went down to 49%. I think part of that was that our influenza vaccine was released in January; normally, it's in October/November. So many of our staff took it out into the community. And if I look back historically, we sit in the eighties, 80% to 86%, in terms of staff vaccination, up until this past year.

**M<sup>me</sup> France Gélinas:** But wouldn't you also keep track—if they got their vaccination elsewhere, wouldn't they let you know?

**Ms. Sandra Moroso:** They do let us know. Part of the confusion this year, and I think Glen referred to it somewhat, is there were some staff who took the H1N1 vaccine, and because the influenza vaccine came out in January, they assumed that they didn't need it or chose not to take it because they had already been vaccinated with the H1N1.

**M<sup>me</sup> France Gélinas:** Okay. There is a huge difference—and then I will go to the ministry—between 21% of your staff and 85% of your staff. Does that worry the ministry at all? Is this something that the ministry is commenting on?

**Mr. Tim Burns:** I think the homes themselves, who are most directly concerned—obviously we are there to support them—with their staff and residents are taking the measures that we would support. I think we have to learn more from them about what's working and what isn't, and have to consider measures that might further induce them—reporting on immunization rates in different homes and organizations could be something that we consider. I don't think it's something that lends itself to a heavy-handed policy push because of the individual staff choices and resident choices that are involved. So I think it's more a case of education and suasion.

**M<sup>me</sup> France Gélinas:** And what sorts of education and suasion is the ministry involved with?

**Mr. Tim Burns:** We've got the immunization programming—I'm not close to it personally, but, Lyn, do you want to talk about it?

**Ms. Lyn Fabricius:** Most of the public health units run immunization campaigns. "Kill the bug, find the bug" season usually starts in September/October, so they're the real drivers behind it. I really have to speak to this year, because I was very involved with H1N1 with my position, and it did throw everything off this year. I think it's unusual, and 21% is unusual in most homes, but it's driven by public health. We just look for compliance and outcomes. But what I have seen through the province, and I have had the privilege to inspect all the way up to the north, is that public health had huge campaigns for immunization. So it usually comes driven from them.

**M<sup>me</sup> France Gélinas:** I wanted to talk a little bit about urinary tract infections. Anybody who works in long-term-care—

**The Chair (Mr. Norman W. Sterling):** Excuse me. I think the auditor has something in terms of the immunization numbers.

**Mr. Jim McCarter:** I've got some stats, if you'd like, across the three homes. For residents, the ministry target is 95%, and the homes are generally all above 90%, with respect to flu for residents; for flu for staff, the ministry target is 70%, and the homes kind of range from 65% to 85%; and for pneumococcal immunization, the ministry target is 95%, and the homes range from sort of 65% to 80%. That would be kind of the range across the homes.

**M<sup>me</sup> France Gélinas:** Maybe before I go to urinary tract infections, then, I'm going to go back to the pneumococcal immunization. I understand that whenever a resident is admitted, it would be one of the immuniza-

tions that would be offered. If you have the stats for your home, please share them and share any comments that would help get the rate, at 63%—I have the auditor's report in front of me; you don't, but it goes from 63% to 77%. We are a far way away from target. For your own home, how is it going, and can we do anything to help you?

**Ms. Sandra Moroso:** Our home was 63% in 2008 and we're 91% in 2009. Part of that is reflective of resident choice, whether or not residents choose to have the vaccine. This is a vaccine that's offered on admission and residents have the choice to refuse.

One of the strategies that we did put in place was to talk to residents' council and family council and to do a lot of education around the benefits of pneumococcal vaccine, but we also have a large turnover in terms of residents within our home. In 2008, we had 150 admissions. It's a lot of turnover. So with new residents, they made different choices and our rates went up.

**Ms. Catherine Allison:** In terms of our home, we do offer pneumococcal as well as a tetanus booster, influenza and TB testing—well, TB testing is mandatory—on admission. Again, I echo what Sandra says: It is resident choice, and some residents just absolutely don't believe in it. We try to provide that education to them on the benefits of it during the admission care conference, which is held within six weeks of admission. In addition, we do the benefits of immunization at our family council. That's one of the programs that is discussed.

**M<sup>me</sup> France Gélinas:** Do you know your rate—

**Ms. Catherine Allison:** I don't have those numbers with me.

**M<sup>me</sup> France Gélinas:** Would you know if there has been a change?

**Ms. Catherine Allison:** I think generally there's fairly good uptake. I think that we're improving; we continue to improve.

**M<sup>me</sup> France Gélinas:** I guess my next question would be, why is there such a discrepancy between influenza immunization and pneumococcal immunization? To me, it's the same person. If they're opposed to immunization, why would they take one and not the other?

**Ms. Sandra Moroso:** One thing I failed to mention is that there's a little difference with your regular influenza immunization. You receive that on a yearly basis. With the pneumococcal immunization, in the past couple of years, it was given once. So you receive it only once, and it was supposed to last for a longer period of time. When you'd ask a resident, "Would you like your pneumococcal vaccine?" there were times when they couldn't remember if they had had it, so they refused it.

The thinking has changed behind pneumococcal, so in terms of our policies at Extendicare, we offer the pneumococcal vaccine on admission, and then we offer it again after five years, especially for those residents who have multiple diagnoses. That may be part of why we see a difference between the pneumococcal and the regular influenza immunization.

**Ms. Catherine Allison:** I'll just mention that the numbers that I reported in terms of influenza immunization

were for this current year. I would say that because of the media information about H1N1 and the fear that was out amongst the public, that probably affected our numbers. I'd say that was an outlier year. I think normally our staff immunization uptake would be probably 60%. It's not what we would want, but it's up around the 60% range.

In terms of why some people take the influenza, or the pneumococcal and not the influenza, I would agree with what Sandra said. It is one time, and then repeat again within five to 10 years, so you only receive it twice. That could be part of it.

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**M<sup>me</sup> France Gélinas:** Coming back to urinary tract infections: Anybody who works in long-term care knows the risks and knows how to prevent it. I'll start with you, Sandra. You sit closer. Can you talk to us about if you know the rates in your home? How come it's still such a battle?

**Ms. Sandra Moroso:** I have to say that in terms of our home, I wouldn't consider it a huge battle. Part of our approach—first I'll go to our data. We're able to pull quality indicators from that RAI MDS. As you do your clinical assessment, there are things that are generated behind the scenes that we can actually pull some of the information from, so that's one of the benefits of that entire system.

Urinary tract infections is one of those things that we can pull. Along with urinary tract infections is indwelling catheters, and they go hand in hand. In terms of indwelling catheters, our physicians, unless it's medically required, do not support the use of catheters. We have a very, very low number of urinary catheters within our home. It's 1.1% versus the province's 2.9%. In terms of urinary tract infections, at the last quarter we reported 4% and the province of Ontario is 5.7%. Our numbers—and it has been consistent from 2007 to 2009—are low and they're below the provincial average.

What are some of the things we do in order to prevent urinary tract infections? They're very simple things: having larger glasses at meal service, encouraging the intake of additional fluids, a move to having beverage carts in our dining room—we have a hot beverage cart and a cold beverage cart at all three meals—and we offer a variety of different types of fluids, which gives residents a lot of choice in terms of the fluid intake that they do have. As well, a higher fluid intake decreases the risk of urinary tract infections.

We monitor our residents' fluid intake on a daily basis. Every 72 hours a registered staff member actually does a calculation to see if the resident has taken enough fluid in within those 72 hours. If there's concern that the resident has not taken in enough fluid, then there's a referral made to the dietitian in order to visit with the resident to see how we can get the fluid increased for that particular resident.

**M<sup>me</sup> France Gélinas:** Wow. Can you top that? Sorry.

**Ms. Catherine Allison:** No, I don't particularly want to follow that.

In terms of the number of urinary tract infections that we have in our home, we do count them individually. I

don't have a rate because we're just finishing the RAI process, so I'm not able to pull that data. Just in this year, there have been four urinary tract infections in our home. In terms of prevention measures—one thing I must say is that urinary tract infections are very common in the elderly. We try to minimize the use of indwelling catheters as much as possible. They're only used when they're medically necessary.

In terms of fluid intake, we have the same program in place that Sandra spoke about in terms of a hot fluid cart and a cold fluid cart, and that circulates throughout the dining room. We do provide water at each sitting in the dining room. In addition, we have thermal jugs of water at each resident's bedside so that they can take water on their own at will. We try to put individual interventions in place for residents who are determined to have a high risk of urinary tract infections, and that includes increasing their fluid intake, offering them cranberry juice etc.

**M<sup>me</sup> France Gélinas:** Thank you. The next is on the use of antibiotics. I realize that it's a physician's decision to prescribe antibiotics. It is certainly something that homes usually monitor. Is there anything you have learned or want to share about the use of antibiotics in your home? Sandra, you seem to be willing and able to go first.

**Ms. Sandra Moroso:** We have a medical advisory committee. And I think one of the benefits of our home is that our physicians follow the resident to the hospital. They are practising physicians. They have privileges within the hospital sector as well.

Our physicians use the Ontario drug benefit program in terms of what kinds of medications they can prescribe, but they also try to follow best practice in terms of prescribing antibiotics. We just talked about urinary tract infections, so I'll use that as an example. What our physicians support in our home is that one may have bacteria growing in their bladder, but unless someone has symptoms related to that bacteria—you may have a change in your level of condition, you may have a variety of different things—they won't treat that bladder infection with antibiotics.

In terms of the actual committee, we do have access to the types of antibiotics that are prescribed. We do have access to the antibiotics that are prescribed per physician, and the physicians do have a discussion around types of antibiotics that they use for a particular condition—what is best to be used for someone who is elderly, who has pneumonia. So there is that kind of discussion that occurs at that particular level.

**M<sup>me</sup> France Gélinas:** How many physicians do you have in your home?

**Ms. Sandra Moroso:** We have three who work in our home.

**M<sup>me</sup> France Gélinas:** They've been there for a long time?

**Ms. Sandra Moroso:** They've been there for a very long time.

**Ms. Catherine Allison:** I don't think there's a lot I can add to that. We have one physician who primarily looks after the 60 residents in our home, and then there

are two other physicians who look after two or three. We have a professional advisory meeting, as well, and our physician gets data from our pharmacy on the number of antibiotics that have been prescribed in the home.

As my colleague Christine spoke of earlier, we've talked to our pharmacy about developing a change to their database so that when an antibiotic is ordered, it is required to put in what the antibiotic is being ordered for, so that the information we get back is more meaningful. The physician follows the Ontario drug formulary and uses best practices to determine what antibiotic to use.

**M<sup>me</sup> France Gélinas:** I'll continue with you. I take it that you have a designated infection control program leader/practitioner in your home.

**Ms. Catherine Allison:** Yes, we do.

**M<sup>me</sup> France Gélinas:** How long has this person been in that position?

**Ms. Catherine Allison:** We just had a turnover of the director of care. It's the director of care who is responsible for this. This director of care is actually from the acute care sector, so she has specific training in infection control from acute care, which she's now using in long-term care. She has been in her position since November.

**M<sup>me</sup> France Gélinas:** Is it common that the director of care is—I don't know who to ask this of—also the lead for infection control?

**Ms. Catherine Allison:** In a small home of our size, I would say it is common. We only have 60 beds.

**Mr. Glen Moorhouse:** We're a 103-bed home, and the infection control practitioner is separate from the director of care.

**M<sup>me</sup> France Gélinas:** Has this person been in place for a long time?

**Mr. Glen Moorhouse:** She's a new hire.

**M<sup>me</sup> France Gélinas:** Was the person in the lead role before in her role for a long time?

**Mr. Glen Moorhouse:** About two years.

**M<sup>me</sup> France Gélinas:** How often would you say this person held meetings? How did this person do her work in your home?

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**Mr. Glen Moorhouse:** The previous person was very involved. We were getting ready for accreditation, so she chaired several committees related to medication and infection control.

**Ms. Catherine Allison:** Our infection control committee meets quarterly; and then, during outbreaks, they would meet daily to review the practices that are in place.

**M<sup>me</sup> France Gélinas:** Of the people on the committee, who are the people on the committee that meets quarterly?

**Ms. Catherine Allison:** It would be the infection control practitioner/director of care, the administrator, the managers of food service and environmental, the physician and the public health nurse assigned to our home.

**M<sup>me</sup> France Gélinas:** And how do their recommendations or ideas get trickled down to the people delivering the care?

**Ms. Catherine Allison:** That would be through our communication system, either through communication books, stand-up meetings at shift report—

**M<sup>me</sup> France Gélinas:** Can you give me an example of something that they did recently?

**Ms. Catherine Allison:** During our recent outbreak, the DOC would go to each shift report, discuss what was going on in terms of the outbreak, how many residents were ill and what practices were in place in terms of trying to maintain the residents isolated in their room and what practice to put in place. That was done at each shift report. When the DOC was not in the building, those items were communicated through the charge nurse.

**M<sup>me</sup> France Gélinas:** That was during the outbreak?

**Ms. Catherine Allison:** That's right. For daily, any changes that are implemented as a result of the infection surveillance and the infection control meeting would be communicated through communications systems, our communication books and shift report.

**M<sup>me</sup> France Gélinas:** Could you give me an example of something that came out through those regular quarterly meetings that was circulating and communicated?

**Ms. Catherine Allison:** I'd have to get back to you on that.

**M<sup>me</sup> France Gélinas:** How about—sorry, I forgot your name.

**Mr. Glen Moorhouse:** Glen.

**M<sup>me</sup> France Gélinas:** Could you give me an example of something that was picked up in one of your quarterly reports and acted upon in your home?

**Mr. Glen Moorhouse:** I think I'll call on our director of care to speak to that, if that's okay.

**The Chair (Mr. Norman W. Sterling):** Ms. Gélinas, we're going to go over here.

**Ms. Ama Amoa-Williams:** What I would say is that most of the time, infection in the home, like if it is a wound infection, the infection control practitioner will communicate with the charge nurses, and the same thing: Do a report. The charge nurse will communicate this to the PSW for them to know what is happening. So we do this through daily reports.

**M<sup>me</sup> France Gélinas:** I'm not interested on the chain of communication; I'm interested in the content. Could you give me an example of something that this committee has done?

**Ms. Ama Amoa-Williams:** That we communicate through the building?

**M<sup>me</sup> France Gélinas:** Sure.

**Ms. Ama Amoa-Williams:** When there is a quarterly meeting, what we do is the same as communication. What we do is, they communicate through the whole group and then the infection control practitioner is the one who carries the report down to the floor. Then they put things in place. If a resident has got an infection and the infection is not being taken care of, that's what the infection practitioner will communicate to the staff, and then get this right in the proper way. That's how the meeting goes, the quarterly meeting that we do.

**Ms. Catherine Allison:** I was just going back over the last professional advisory committee meeting that we

had. We did talk about hand hygiene and the results of the hand hygiene audits and any corrective action that was required. So that would be an example of something that we would communicate to the shift report, that hand-hygiene audits have been completed, what the results were and what our recommendations were to everybody in terms of what they needed to do in terms of washing their hands. I believe in this case, although I'm not 100% sure, that it was discussing washing their hands after contact with the environment. They were washing their hands before and after care and before and after removing gloves, but it wasn't after they had touched the environment of the resident's room. That was just an example of something that would be communicated after an infection control meeting.

**The Chair (Mr. Norman W. Sterling):** Ms. Van Bommel.

**Mrs. Maria Van Bommel:** I want to just pick up on Ms. Gélinas's point around antibiotic use. One of the things we assume when we talk about infection control is the fact that you can develop antibiotic resistance, and as much as you clean and try to stay on top of things, the organisms can develop.

One of the recommendations from the Auditor General was around that whole issue of prevention of antibiotic resistance. In the ministry's response in terms of what they were doing, they talk about the joint task force on medication management at long-term-care homes. Your response says that the report was given in November of last year, but it doesn't really say very much about what the recommendations were other than to say it has recommendations. Could you fill us in on what recommendations came out of that particular task force?

**Mr. Tim Burns:** Yes, I can. I'm not going to get all of the recommendations—I'm sorry; I don't have them committed to memory—but in the main, they concerned equipping homes to take a systematic approach to optimizing all medications and all medication-related processes and activities. It would, by extension, improve—

*Interjection.*

**Mr. Tim Burns:** Oh, now I've got them with my team here. I bought a vowel.

I'll just recap. The recommendations were incident reporting; improved medication reconciliation, so it's a good known history; better processes concerning potentially high-risk drugs in the elderly; and technology supports. The committee took a very broad, systematic approach: looking at the whole home as a system and the interaction between pharmacists, physicians and the care teams in homes as a system.

We received the report. It was a joint report with the ministry and the provider associations. In terms of what has been done with it, it would be most fair to say that the partners, continuing to collaborate, have taken pieces of it and are starting to move toward implementation.

For example, with the collaboration of the Institute for Safe Medication Practices, a partner to the report, and the Ontario Health Quality Council, we're working through

the residents-first initiative in applying continuous improvement methods within homes; so, for example, to improve homes' familiarity with continuous improvement techniques, and improvement facilitators. The goal there is to provide the homes with specific curriculum—reducing falls, reducing the incidents of wounds and so forth. What's being worked on now is a curriculum around improving medication reconciliation, which we would see introduced through that program with the Ontario Health Quality Council. That's an example of an outcome of the report.

Another example of an outcome is that under the leadership of the Ontario Long Term Care Association, there's work going on with the Ontario Long Term Care Physicians association, physicians practising in homes, to get a good—there's good literature and good examples around. You may have heard of the Beers list, the high-risk drugs. There's work going on to educate all players and to adapt that list to the Ontario context. We can expect to see an education initiative coming out of the Ontario Long Term Care Association.

Those are examples of where—it started with the audit; a joint task force was convened. It's not a single implementation plan or action plan per se; it's a series of steps that are using that report as an impetus for improvement.

**Mrs. Maria Van Bommel:** You went through one part really quickly there, and I just want you to backtrack into the recommendations. You talked about the physicians and the pharmacists. I didn't quite follow what you said was going to happen there.

**Mr. Tim Burns:** As an example, on high-alert drugs, the best practice would be to make sure that the prescribing physicians, the care teams in homes and the pharmacists serving the homes meet on a regular basis to examine utilization patterns and incremental steps that might be done to improve upon them. The methods and educational supports and so forth to do that are being developed through the various partners to that report.

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**Mrs. Maria Van Bommel:** At one time, in a previous auditor's report, we talked about the whole issue of prescriptions and over-prescribing for seniors, especially in long-term care. How does that link into what this task force is doing?

**Mr. Tim Burns:** I think it does, because the task force looked at all aspects of optimizing medication, including high-risk drugs, med error, med error reporting, utilization patterns and so forth. It took a holistic view, if you will, so there are now supports. For example, tools coming out of it would include medication safety self-assessment. We had very good uptake. I believe 65% or 70% of all homes went through a methodical self-assessment of their fundamental processes for medication delivery: Do they meet regularly with their pharmacist, do they have these features in their contract—very concrete contributors to safety. That self-assessment, which went widely through the sector—perhaps the homes could comment on it—was a prompt to homes to make

sure they have the right structures in place to support safety.

Another example would be, as a best practice, specific prompts about how they're working with their pharmacy, what information they're looking at, how they conduct those quarterly reviews.

Those would be examples of tools and supports that are under development as a result of that task force work.

**Mrs. Maria Van Bommel:** You said that you were doing this in sort of a staging. It wasn't just an implementation of a recommendation. You're staging this to a certain extent. I'd like to ask if any of the others here want to talk about how this task force and its recommendations have been—if you've started to implement those recommendations; how you've started. Do you feel that they're practical, in your cases?

**Ms. Christine Ozimek:** Speaking for Regency Manor and all five of our homes, I can say that we have participated in the self-assessment process Tim Burns has described and found it to be very valuable. We work very closely with our pharmacies and the doctors on the issue of safe medication practices. We're very fond of ISMP bulletins that provide us with errors that are made, and we really work hard to disseminate that information.

I think what we are seeing from this report is that individual homes and organizations are looking at opportunities to improve practices. One area that we looked at specifically was the prescription of certain narcotics to residents. In particular, I've been taught that you need to look at the idea of starting low and going slow. But we found that on occasion, physicians were prescribing very strong narcotics. Fentanyl is one that comes to mind. Our nurses were being put in the position of having to say, "Are you sure this is the proper drug?" What we did in that case is, again, we went to our partner pharmacy, MediSystem, and said, "We think you need to look at your system. You have the entire medication history for that resident since they've been with us on file. Can you put into your coding system an alert so that when a drug like that is prescribed, the system reviews the history on file and if it finds that it's the wrong level or the wrong drug—the person hasn't had other drugs before that are opiates—it sends an alert to the pharmacy and there is communication between the pharmacy and the doctor?"

In fact, MediSystem did implement a change to their code and they expanded on the idea and put in a list of approximately 20 high-risk drugs. I checked with them recently and that system is in place, it's working, it's producing alerts. They actually had an occasion where a physician wrote back to say thank you, because he was happy to have received the information back and did alter the prescription for the resident in question.

**Ms. Sandra Moroso:** We also completed the assessment, which gave us, I think, really wonderful results. It gave us areas that we were very strong in and areas where we felt we needed to do some improvements.

We established a multidisciplinary team primarily made up of staff who work on the nursing units that are actually delivering medications or taking medication

orders. We also looked at the Auditor General's report on medication use in long-term care, because there were some recommendations that came out of that report as well.

What we did was we looked at a variety of different areas. One was the high-risk, high-alert medications. Another area is medication reconciliation, which is a very important area, and that is when a resident comes to us and they're admitted, we verify what medications they're on. If they're coming from a hospital, we get a list from the hospital and we ensure that that list is complete. Part of that reconciliation is actually talking to the resident and their family and saying, "This is the list that we've received from the hospital. Are these all the medications that you were taking at home prior to going to the hospital?" If the resident can't answer, quite often we'll go to a community pharmacist who they were dealing with in the community. We're trying to verify the list of drugs prior to ordering drugs. We do that on admission and we do that on readmission to the hospital if a resident goes back out to the hospital.

We have implemented, a few months ago, eMARs, which is an electronic medication delivery system and which has, I think, improved our ability to give medication safely. All the medications are listed there electronically. They've verified on a variety of different fronts. They're verified with the nurse and the physician, they're verified at the pharmacy prior to us giving it, and there's documentation right at the point, at the resident's room. There are a lot of different things that we've put into place.

We went through accreditation in February. Accreditation Canada actually acknowledged all the work that we had done in terms of medication and did not find one outstanding standard related to medication in our home.

**Ms. Ama Amoa-Williams:** For Nisbet, we are not part of the medication task force, but we're looking

forward to joining. We practise medication reconciliation the same way. If we have a resident coming back from hospital or coming from home, or a new admission, we check the medication the same way—what the resident was on before—with what the hospital sends to us. We compare that. Then if a resident goes to hospital and comes back, we still do a medication reconciliation. If we have to change the medication—sometimes they change the medication in the hospital. When they come in, they increase the dose, or they decrease the dose, so we go back and check what the resident was on before, and then we get that and send it to the pharmacy and get everything going. We're looking forward to being a member of the medication task force.

Also, we're exploring eMAR. We want to get into eMAR really badly because we know how good eMAR is. It's something that we're looking forward to joining.

**Mr. Paul Tuttle:** The only thing I'd add to that is that on top of all these improvements that are being implemented, generally if you look in the literature throughout North America and elsewhere too, actually, when a person comes into a long-term-care home post-admission, in their first pharmacy review, there's often a drastic reduction in the number of medications. There's already an improvement, and all this is on top of that, so there's real progress being made.

**Mrs. Maria Van Bommel:** Thank you. I take it from the Chair that my time is up.

**The Chair (Mr. Norman W. Sterling):** Thank you very much for coming to our committee. I'll ask members of the committee to stay for a few minutes after so we can instruct our researcher as to some ideas we might have for the report.

I thank everyone here.

*The committee continued in closed session at 1430.*







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Second Session, 39<sup>th</sup> Parliament

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Deuxième session, 39<sup>e</sup> législature

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Wednesday 19 May 2010

# Journal des débats (Hansard)

Mercredi 19 mai 2010

## Standing Committee on Public Accounts

2009 Annual Report,  
Auditor General:  
Ministry of Education

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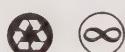
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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTS

Wednesday 19 May 2010

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
COMPTE PUBLICS

Mercredi 19 mai 2010

*The committee met at 1232 in committee room 1, following a closed session.*

2009 ANNUAL REPORT,  
AUDITOR GENERAL

## MINISTRY OF EDUCATION

Consideration of section 3.07, literacy and numeracy secretariat.

**The Vice-Chair (Mr. Peter Shurman):** Good afternoon, everybody, and welcome to the Standing Committee on Public Accounts meeting today in consideration of section 3.07, literacy and numeracy secretariat, based on the 2009 Annual Report of the Auditor General.

I note the presence of the deputy minister and your group. You have a presentation to make, and I know that you've clocked it at about 20 minutes. Please introduce yourself and your group for Hansard and proceed.

**Mr. Kevin Costante:** It's a pleasure to be here this afternoon. Good afternoon, everyone. My name is Kevin Costante. I'm the Deputy Minister of Education. I'm joined at the table today by, on my right, Laurie Kukulewicz, from the student achievement division; on my left, Mary Jean Gallagher, who is the chief student achievement officer for Ontario and the assistant deputy minister of the student achievement division; and immediately beside her is Judy Kokis, a staff member in that same division.

I want to begin by thanking the Auditor General and his team for the recommendations on how to enhance the outcomes of the literacy and numeracy secretariat. We do appreciate the time that staff spent with us reviewing the activities of LNS in order to make recommendations that were in the report. I want to emphasize that the ministry and the division, led by Mary Jean and her team, have taken these recommendations very seriously, and we will be using the report and the subsequent discussions from today to help ensure that the ministry and school boards measure the effectiveness of our programs and that we are making efficient use of the funding to support student learning and achievement.

I'll start by providing you with a brief overview of the secretariat and the work that it has undertaken. Then I'll move on and give a bit of an overview of the audit findings and indicate our plan of action and the progress that we've already made, since the publication of report, to address the recommendations.

The literacy and numeracy secretariat was created in 2004 with a mandate to partner with Ontario's 72 school boards and over 4,000 elementary public schools in an effort to boost the achievement levels of students in junior kindergarten to grade 6 and to close the gaps in achievement levels among groups of students and schools who, for whatever reason, needed extra help.

The work of the secretariat has changed over time, beginning with a common sense of purpose and urgency and growing to influencing a shift in the teaching and learning culture in elementary schools. Achieving large-scale change such as this in a way that motivates our education partners in the field has been accomplished through joint ownership of our goals and tasks. The secretariat functions in a continuous cycle of research and dialogue with school boards and schools, development of strategies and specific initiatives and pilot implementation, followed by assessment, review, refinement and then expansion. The secretariat is now a permanent branch of the Ministry of Education and is part of the student achievement division.

Thanks to the working partnership between school boards and the secretariat, the ministry and the student achievement division, Ontario is now recognized as a global leader in education. Other countries now look to us for advice and guidance. Ontario is one of the very few jurisdictions recognized internationally that has been in a period of continuous improvement in our student achievement on a year-over-year basis for six years now at least.

In international testing such as PIRLS, which stands for Progress in International Reading Literacy Study, and TIMSS, the Trends in International Mathematics and Science Study, Ontario has improved at a faster rate than many other jurisdictions. Ontario's achievement in PIRLS and TIMSS has been at the higher levels internationally.

As you know, education remains a priority of this government, especially in ensuring that Ontario's students achieve their full potential. The government's three core priorities remain high levels of student achievement, reducing the gaps in student achievement and increased public confidence in publicly funded education. We have been making significant gains in all of those.

The literacy and numeracy test results have steadily improved; we know that thanks to province-wide Education Quality and Accountability Office assessments. Those assessments, the EQAO results, show that in

2002-03, 54% of students were achieving at or above the provincial standard. It's worth noting that the provincial standard in Ontario is level 3, which corresponds to roughly a B. That level of achievement has improved, so in 2008-09, 67% of grade 3 and grade 6 students were achieving at or above that standard, which is a 13% gain.

There are many reasons why this very positive improvement has been achieved. First of all, a very multifaceted approach to student success has been implemented. The LNS student achievement officers who come to us from school boards across the province are themselves respected superintendents, principals and classroom teachers who, in turn, work directly with schools and school boards. They build knowledge and develop capacity to implement evidence-informed strategies to improve students' reading, writing and math skills.

The secretariat's initiatives work in an integrated way to improve student learning and achievement and narrow the gaps. While the individual programs are evaluated by various means, it is difficult to quantify the exact degree of impact of individual strategies. Evidence that the secretariat's approach has credence exists in the analysis of overall outcomes. This reaffirms that, through our partnerships with school boards and schools, the ministry is significantly improving student achievement and closing the gaps.

Working together, LNS and board initiatives are having a positive overall impact. The literacy and numeracy secretariat has had direct impact on those results. In spring 2009, based on a review that took place from 2006 to 2008, the Canadian Language and Literacy Research Network, or CLLRNet for short, released an evaluation report called *The Impact of the Literacy and Numeracy Secretariat: Changes in Ontario's Education System*. This report is available on the ministry's website for those who may be interested in reading it.

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According to this report, "The consistent finding across all components of the study is that over its brief history," the secretariat "has had a major, and primarily highly positive, impact on Ontario's education system." The report also stated "there has been a significant shift in the culture of Ontario schools that is focused on enabling the success of all students. There has also been sustained improvement in student achievement. These are major accomplishments."

There are many initiatives that LNS has put in place over the past six years to nurture these accomplishments. Some of these key initiatives include the Schools on the Move program; the Ontario focused intervention partnership, or OFIP; OFIP tutoring; schools in the middle; the character development initiative; the school effectiveness framework; and professional development for educators through classroom-embedded resources, conferences, workshops, summer programs, webcasts and many publications.

Schools and school boards in varying circumstances benefit from differing levels and types of supports. The

ministry supports may be provided as additional financial and human resources supports for educators through professional learning, print and multimedia resources, and finally self-assessment tools to support school and board improvement planning.

As per the CLLRNet report I cited earlier, "While the improvement of literacy and numeracy skills has been the focus of" these initiatives, "increased attention to evidence, research, evaluation and data can be expected to provide general, long-term benefits, across all areas of Ontario's education system." As with the Auditor General's report, the literacy and numeracy secretariat has examined each of the CLLRNet recommendations and has explored its implications for the ministry's future work.

Now I'd like to turn my focus to the Auditor General's findings on our plans and the progress we've made against those recommendations so far. I believe that committee members all have a status report that describes the ministry's completed and planned undertakings with regard to the auditor's recommendations. I trust that provides confirmation that we have taken the auditor's report very thoroughly and are giving it careful attention. We have taken steps to address all five of the recommendations, and I'm going to begin with recommendations 4 and 5 because we have implemented all the necessary actions.

For example, as suggested in recommendation 5 of the Auditor General's report, we have developed an online version of the Ontario statistical neighbours database that provides school board superintendents with access to an information management system. We agree with the Auditor General that access to this system will be useful for developing strategies for improving student achievement at the board and school levels. This information will enable school boards and schools to identify whether their results are improving, declining or remaining static and to compare themselves with similar schools or boards based on demographics and other program information. Superintendents will be able to share this information with their school principals. We are currently in the process of providing training to superintendents on how to use the online OSN system and expect to have that training completed by the end of June this year.

The ministry has used Ontario statistical neighbours to identify schools needing support, including a number of coasting schools that perform above average, but are not making continued gains. It has also enabled the ministry to identify a set of schools on the move, schools that have been particularly successful in raising student achievement. Staff members at those schools are expected to share their knowledge and practices through networking with other schools across Ontario.

I'm also pleased to advise that, as suggested in recommendation 4 of the Auditor General's report, the ministry has commissioned a study comparing student report card marks with grade 3 and grade 6 EQAO achievement results to ascertain if there is comparability. The study determined that in fact, there is comparability between

the two different measures of student achievement. However, further analysis of the data is needed to confirm the extent of the relationship and to identify other factors that influence that relationship. So our work in this area is indeed ongoing.

I would next like to address the first of the three recommendations in the auditor's report and the progress we've made there to date. The first recommendation is that more comprehensive indicators for measuring effectiveness in student achievement be developed. The ministry agrees that additional indicators would be useful in this regard.

As you are aware, the ministry uses the EQAO test results over time as one method of measuring improvement in student learning and achievement in grades 3 and 6. Provincial assessments provide us with a snapshot of student achievement at a particular point in time. Parents want to know how their children are doing based on objective measures of achievement in relation to the Ontario curriculum. One key outcome of the provincial assessments is that teachers, principals, superintendents and directors are now looking at data from many sources and making decisions based on what the data say about students' needs. The diagnostic relevance of these assessments must be emphasized. They allow educators to target extra supports to groups of students who are not doing as well as they could.

In addition to using EQAO results, the ministry will implement two additional indicators to provide information to parents on student achievement through our school information finder program. The first indicator will provide a summary of report card marks at the school level, and the second indicator will provide similar data with respect to the assessment of learning skills. We hope to be providing that information on the school information finder in the next few months, as we have some changes that will take place in that online tool.

An example of an initiative that LNS has analyzed each year for effectiveness in improving student achievement is OFIP, or the Ontario focused intervention partnership program. OFIP is one of the ministry's key initiatives that have made a difference in student learning and achievement. Schools identified as low-performing or static, based on EQAO results, require different types of assistance than schools that are improving.

Since its inception in 2006-07, \$25 million each year has been invested into the OFIP program. An additional \$8 million has been provided for OFIP tutoring initiatives to allow schools to provide tutoring to students in need, both before and after school.

In 2009-10, OFIP funding was adjusted to reflect the significant reduction in the number of low-performing schools. Schools in Ontario that were low-performing—where there were less than 34% of students achieving levels three and four. We reduced that overall number of schools in that category from 19% to 6%. This is very good news, in that there are fewer low-performing schools in Ontario.

This reduction in OFIP funding has enabled LNS to provide funding support to what we call the schools in

the middle initiative, demonstrating that LNS does measure student outcomes to assess program effectiveness and make revisions, as needed.

The schools in the middle are schools where 50% to 74% of the students are achieving the provincial standard on four out of the six EQAO assessments in grades 3 and 6 reading, writing, and mathematics. Boards receive a base amount of funding depending on the number of schools that fit the "in the middle" criteria. In 2009-10, approximately \$9 million was provided to boards in order to provide support for over 1,400 schools that fit in that category.

As part of the assessment, review and refinement process, LNS initiatives require school boards to report on funding received, the effectiveness of the strategies and lessons learned so that appropriate adjustments can be made to the initiatives on a going-forward basis. Feedback to LNS from our partners in the field has also helped to shape and refine ministry initiatives to improve student learning and achievement.

I'll next move to recommendation 2 of the Auditor General's report. It said the ministry should work toward a more formal review and monitoring process of board improvement plans and more enhanced accountability.

Let me first explain the purpose of the board improvement plans. First of all, it is a living document that is designed to plan specific student achievement goals on an annual basis as developed through the board's analysis of their needs assessment data. Secondly, it improves achievement for all students in the board. It also provides a tracking and monitoring plan for improving student achievement. Lastly, it provides an evaluation of the board's progress in meeting their goals.

One of the key reasons for Ontario's success in improving student learning and achievement is the enormous support in place for our educators, along with the right amount of pressure and the working partnership that LNS has established with our boards. This partnership has enabled effective implementation of initiatives and monitoring of results that have contributed to overall student improvement in outcomes.

#### 1250

In 2008, Dr. Douglas Reeves, a global leader in enhancing student achievement and improving planning, was commissioned by the ministry to perform a comprehensive review of all 72 board improvement plans and processes in Ontario. This review provided improvement recommendations to each board and formed the basis for board improvement plan processes to be refined over the last couple of years.

In January 2010, the ministry had mid-year meetings with all boards to determine the progress made toward improved student achievement. Boards advised that they were more focused on instruction, capacity-building, building school networks and the use of data to guide and inform their practices, setting priorities and allocating resources.

In response to the Auditor General's recommendations, LNS student achievement officers are providing

more complete accounts of their conversations with school boards relating to board improvement plans and the actions taken. LNS will continue with its efforts to strengthen their documentation in this process.

As further evidence of our commitment to the recommendations, I would also like to speak to a number of enhanced accountabilities that the ministry has put in place with school boards. The ministry has formal transfer payment contracts in place with each school board for funding initiatives that clearly outline our expectations. School boards provide the ministry with financial and activity reports on an annual basis.

Also, there's a considerable number of legislative and regulatory controls that are now in place. Those include a director's annual report that is to be posted on board websites by January 31 of each year—I am able to advise the committee that all 72 school boards have posted their reports, which can be accessed through the ministry's website. There are also board annual reports, and they have required components, such as the latest EQAO results and specific actions pursued to improve outcomes for students with low levels of achievement and for low-performing schools. And lastly, boards are being asked to develop a multi-year strategic plan to achieve specified student achievement and well-being targets as provided for under Bill 177.

With respect to the third recommendation, the Auditor General suggested that formal evaluations are needed to assess the effectiveness of the secretariat's initiatives in improving student achievement and that LNS program funds are allocated to the areas of greatest need.

In response, I am pleased to inform this committee that the ministry has placed more focus on evaluation tools to assess the effectiveness of the programs. LNS has moved forward and refined its strategies and initiatives, informed by current research and effective practices, including those in other jurisdictions.

As mentioned previously, LNS works in partnership with school boards to implement initiatives that make a difference in student learning and achievement by providing human expertise and financial resources. Current initiatives require boards to report back on funding, program effectiveness and lessons learned so that LNS can make any needed adjustments.

One example of an initiative that has made a difference is the Schools on the Move program. This initiative supports increased confidence in publicly funded education by providing examples of schools that are making significant and sustained progress in raising student learning and achievement and reducing the gaps in the targeted groups. Schools on the Move began in 2006 as a network of 23 schools and now includes over 140 schools that are continuing to implement evidence-informed strategies for improving student learning and achievement in reading, writing and mathematics.

The schools in the program represent the geographic diversity of the province and include schools from urban and rural communities and French, English, Catholic and public district school boards. In June of this year, 33 new

schools will join the initiative under the theme "schools in a variety of challenging circumstances working to meet the needs of every student."

Funding decisions within specific programs are made according to several criteria. Some of the needs of the boards are addressed through student enrolment funding, while other board needs are supported with targeted funding. An example of an initiative that has resulted from evidence-based research and has been targeted as an area of greatest need is the small and northern board numeracy initiative. In 2009-10, about \$2 million to \$3 million was provided to 17 school boards to reach over 400 small and northern schools, in order to build capacity in numeracy, teaching and learning. Math facilitators are supporting teachers in deepening their understanding of effective instructional practices for mathematics.

Also as part of the third recommendation, the auditor asked that we undertake to examine the role of banker boards, which we call lead boards. He also made recommendations around supporting documentation of funds and expenditure needs so that that documentation is more complete.

The secretariat is reviewing its financial processes and developing a logic model to address the need for improved documentation and to further define program objectives, outcomes, measures and reporting requirements.

The ministry will be undertaking a review of lead board use, which we expect to have completed by the end of this fiscal year. In the meantime, we have taken interim steps to bring many initiatives administered by lead boards back into the ministry. On a go-forward basis, LNS will carefully consider, on a case-by-case basis, when it may be more appropriate to use a lead board.

As an example, when a regional meeting is being held with school leaders from the area around Kenora, the use of a lead board would be more appropriate. The board has knowledge of the best facilities to hold regional events in terms of best location, what is available and what is most economical. These boards provide their own technology, equipment, supplies and often human resources rather than incur additional costs for the ministry. Obviously, a final decision on the ultimate continued use of lead boards will be based on the results of our review.

Since receiving the Auditor General's report, the secretariat has reviewed its documentation that supports the amounts paid to the council of directors of education and to the lead boards. I'm happy to advise that financial documentation has been centralized, and is in place for all the initiatives in those two areas.

In closing, I would like to thank you again for this opportunity to address the committee today. Myself and other members of staff are willing to take questions and do whatever we can to assist you in your deliberations.

**The Vice-Chair (Mr. Peter Shurman):** Thank you very much for your presentation, Deputy Minister. We'll work our way around the room by party in 20-minute rotations, and we'll begin with the Liberals.

**Mrs. Liz Sandals:** Okay, where will I start? Welcome, everybody.

Maybe I'll start with the funding. Actually, I don't see Didem here, because this may be some finance sort of stuff. The auditor had raised some questions around the logic behind how the funding model worked for some of your different program lines. I'm assuming that, in some ways, the secretariat almost has two strands of thinking in the sense that some of what you do is focused on making sure that there's excellent teaching for every student, so some of what you do is focused at every student, and some you're focused on special cases in cases where special assistance is required to improve performance. Can you talk a bit about how the funding that flows to the boards is actually determined? Because the auditor raised some questions about that.

**Mr. Kevin Costante:** I think what you described is exactly right. I think we know that in every board there are schools and in every school there are children that need assistance. Part of our funding approach is to support every board. Sometimes that's done through providing a per pupil amount and it's not based necessarily on need or low-performing schools. Often every board will get a little bit of money.

**Mrs. Liz Sandals:** So there's a per capita amount.

**Mr. Kevin Costante:** I think in principle we also want to make sure that boards that are doing well don't fall back and that we continue to support them so that they can maintain and, indeed, continue to improve.

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The second portion, then, is where we identify, largely in the past through EQAO results, where there are particular needs. I think the math project in small, northern and rural schools is a good example. The EQAO results showed clearly that we had some issues there in terms of math performance in those small schools, and then we direct money that way.

**Mrs. Liz Sandals:** Using that as an example, would that have been done by looking at the test scores in individual schools, or would that have been done by simply identifying that the EQAO results—and certainly the early EQAO results showed up really strongly that the rural and northern boards were lagging behind the more urbanized boards. I just remember that as a matter of looking at the early results. So would that just have been done on the geographic location of the board or would it have been drilling down lower to the number of schools that were struggling?

**Ms. Mary Jean Gallagher:** We first look at board-level data so that we sort of get a broad picture of what's going on in the province and where there may be other areas of greater need. Then we start to look not only at individual school data, but at the numbers of schools. So when we're looking at funding a particular board at various levels, as the deputy has said, there is a certain amount of money that is on a per capita basis. Often, that buys either resources for students or it buys time for teachers to meet and do their planning, and that is enrolment-based.

On the other hand, some of our programs are more focused on schools that may be demonstrating that they're dealing with some challenges. Sometimes a comparison of the public data about low-performing schools or lower-performing schools and the actual results are different as well because, for instance, in many school areas in the north in particular, the schools are so small that the EQAO suppresses the public data because individual students can be identified. We at the LNS have access to that private data as well, which helps us inform things.

**Mrs. Liz Sandals:** So in fact, when you look at the public data, it may tend to be skewed towards low performance in urban areas simply because the classroom cohorts in northern and rural schools are so small that the data is suppressed.

**Ms. Mary Jean Gallagher:** That's possible. It's also possible—when we look at funding as well, though, we understand that some boards need additional funding because of geographic distances and the distances people have to travel. In the example the deputy gave of our newer program, the small and northern boards program, we came to the conclusion, looking at our work in the collaborative inquiry in mathematics program, that we were in a situation where small and northern boards with a lot of schools that were very widely disseminated really didn't have the capacity to be able to take advantage of some of our programs to the extent that they needed to, in terms of being able to actually carry that program to the school. So in 17 boards' cases, we actually directly funded an additional staff member to spend a week in this school working with teachers and a week in another school working with teachers so that we could make sure that we were reaching those schools.

**Mrs. Liz Sandals:** Those would have been schools that were so geographically dispersed that if you did the workshop at 3 o'clock in the afternoon, they couldn't get there because it was a five-hour drive; it was over by the time they got there, that sort of situation.

**Ms. Mary Jean Gallagher:** And evidence is now telling us as well that some of that classroom-embedded professional learning is actually going to have a greater impact on changing teacher practice.

**Mrs. Liz Sandals:** So if there are sort of two streams of funding, one of which is enrolment-based and one which is more program-specific risk-based, when you're looking at accountability for the boards on how that money is being spent and whether what you want to achieve is being achieved, how do you get at the accountability in those two different sets of circumstances? For example, the auditor mentioned things like cohort tracking; also around specific programs, do we have data that show whether that specific program is successful or not? Can you look at the actual accountability in those different styles of programs?

**Ms. Mary Jean Gallagher:** Absolutely, yes, we can. It's difficult to determine in a program, of course, how much of an increased outcome is the result of a particular program, because we have several programs operating in

every board. But things, for instance, like our OFIP program—a report that was produced by our research department looked at our work in OFIP 1 and 2 schools, which are the schools where the performance of 34% or fewer of students reach provincial benchmarks; then, the OFIP 2 are the 34%-to-50% category.

We know, for instance, by looking at the specific schools where those programs took place—and we funded those activities—and by comparing their results on the EQAO tests to the overall provincial results, that those schools demonstrated, over their involvement in the program and in a subsequent year, far in excess of the improved achievement of the average of Ontario schools. When I say “far in excess,” on the six indicators, they were at least double the improvement outcomes of the average across the province, and several of the indicators had higher outcomes in excess of three times. So we have that piece, for instance.

One of the processes that we go through now—a part of our problem is that we know improving outcomes for kids is urgent, and we also know that we have to be able to scale our programs up, if they’re successful, very quickly to a lot of schools across the province. We don’t have time to do a two-year or three-year analysis and study of what’s going on; we need to work with information and data on an annual basis, and not only the quantitative data but the qualitative data that our student achievement officers, who are assigned to each board and who work with the boards and the schools in those boards, bring us back.

If I could use one example: for instance, our collaborative inquiry in mathematics. Two years ago, we looked at the fact that we needed to provide a greater focus on mathematics learning across Ontario in our schools. We developed a program based on evidence and research that we thought would be successful, and we implemented it in 12 school boards—six pairs of coterminous boards across the province. We worked with those boards for a year. The following August, of course, when the EQAO results come out, we’re pretty quick, busy and excited to get those results, because they do help us fine-tune our programs, even for that immediate September.

We looked at the results, in particular, for those 12 boards and came to the conclusion that in 11 of those 12 boards, the mathematics improvement was greater than the provincial average. We know it’s not an absolute relationship, and you don’t always see the results in that very first year, because teachers are implementing changes and they’re learning new things, but we could see an indication in 11 of those 12 boards that we were on to something that we defined, at that point, as a promising practice. So we took that program and made some refinements. We also, in that program, by the way, had an independent university-based researcher following up with surveys during the first year of implementation of the program, getting some of that qualitative data back from teachers, boards and schools involved in the program.

We scaled that program up to include 24 boards this existing year. We’ve had the external researcher working

with us on it, giving us feedback throughout. Our version of the program this year is refined based on the feedback we got from the first year and the evaluation of the first year of the program. So we have 24 boards. Our in-program evaluation tells us that they think it is a very effective way of leveraging increased results. On that basis, we are tentatively planning a further expansion of the program this year, but we will, this August, be once again looking at the schools involved, the boards involved, in the program and what their results are compared to the norm across the province. That’s sort of the cycle of thinking and evaluation that we are engaged in.

I guess the thing that has been particularly significant for me in the recommendations from the Auditor General is that while those cycles of sort of thoughtful planning and expansion were going on in the LNS over quite a bit of time, we did not keep the kind of documentation of our records of those activities to the point that they were satisfactory to the Auditor General, and I think it was a very good point. So we are becoming more thorough and more careful about making sure that we document this.

**Mrs. Liz Sandals:** Can I turn it over to my colleague, and then when we come back on the second round—I’ve got some more questions—I’ll lead off again?

**The Vice-Chair (Mr. Peter Shurman):** No problem.

**Ms. M. Aileen Carroll:** Or I can wait.

**Mrs. Liz Sandals:** No, it’s okay. You go ahead.

**Ms. M. Aileen Carroll:** When you learn from the initiatives that you’ve taken—what’s working and what’s not, if I can just go right into layman’s language. Having benefited from the outcomes that you’ve observed, you now see that this particular initiative or this particular fine tuning of a program is beginning to really produce some efficacious results. How long does it take—forgive the analogy—to turn an ocean liner like the Ministry of Education to start target implementing those?

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Where I live in Toronto, I look out the window of my place and I look at Nelson Mandela school and frequently watch the youngsters walking to and fro. When I then come and prepare for committee, I think of that school and I wonder, “What’s happening there? How is that school benefiting from what you’re doing to respond to the Auditor General? How quickly will those youngsters going in the door today benefit?” You don’t mind if I’m direct? If you do, it’s probably too late now, anyway.

**Ms. Mary Jean Gallagher:** Actually, if there was an absolute answer to how quickly that can happen, I could probably market it and the ministry would be quite wealthy in the revenue from the presentations I could make there.

Change implementation is not an easy thing. In fact, that’s borne out by the fact that Ontario is the only jurisdiction that can actually show a track record of sustained year-over-year improvement on a system-wide basis. There are lots of places where you can find three or four excellent classrooms in a school of 20 or half a dozen excellent schools in a group of 15, 20 or 25. There’s lots of research on effective schools and how you help kids learn.

What there are not are a lot of researched examples of that kind of systematic change. We're improving in almost 5,000 schools, elementary and secondary, and that is incredibly exciting. It really represents a fundamental culture shift in teaching and learning that's taking place in our schools today. By that, I mean that in Ontario today, compared to four or five years ago, even compared to two years ago, classrooms are much more open and there's a much more collaborative culture in existence in our schools. While that sounds like it might be fluffy teacher-speak, it's not. It's the key to how you have teachers and principals own the changes that are taking place. The kinds of changes and improvements we're putting in place have to be owned by the teachers and the principals who are putting them in place if they're going to be sustainable. So that's sort of the context to the answer.

When you look at how quickly we can reach those schools, there are a number of factors. There's a readiness on the part of the school staff that we have to help create. There's an understanding of why it matters and why these things are better. The history of improvements in education is an ongoing saga that comes rolling through the staff meetings, staff rooms and schools of "This program is going to be the answer," and "That program is going to be the answer." There are no specific programs that are the answer. The answer is high-quality teaching focused very specifically on the individual kids in the classroom and focused on what kinds of changes in teacher practice have to take place in order to meet the needs of those kids. That's an uneven implementation at best. With respect, my experience out in the school board and in leading a school board not too long ago, actually implementing change in classroom is not something that historically the ministry or government has been very successful at up until the last few years. It's sort of a long way to the grade 1 classroom in Nelson Mandela school from Queen's Park.

**Ms. M. Aileen Carroll:** It only takes 10 minutes for me to drive.

**Ms. Mary Jean Gallagher:** I know. It takes a little longer if we're talking about some other parts of the province. But the thing that's really exciting about what we're doing right now—the LNS was created originally as something distinct from the ministry, sort of associated with but not directly part of, so that it would have the flexibility to be able to move quickly.

**Ms. M. Aileen Carroll:** Is it still separate?

**Ms. Mary Jean Gallagher:** No.

**Ms. M. Aileen Carroll:** So you haven't—

**Ms. Mary Jean Gallagher:** We are now part of the Ministry of Education, part of the student achievement division with student success learning to 18. From the experience of the person who's been responsible for making that change happen on the ground, there are a number of constraints in the large 65,000-sized public service that make flexibility a little more difficult. We, I think, have been addressing some of those issues, like the

Auditor General's recommendations around being very precise, careful and accountable for everything that's there. At the same time, though, I think on the ground and out in the field we are still very nimble, very flexible and very reactive to what we analyze as school boards needs.

**Ms. M. Aileen Carroll:** Thank you.

**Mrs. Liz Sandals:** I found this fascinating. I should explain that Mary Jean and I have known each other in a lot of different ways over a lot of different years, but my theory of education innovation has always been that all pilots work because you have innovative, committed people who are really excited about something, and it's really the commitment, the excitement and the passion that make the pilot work. It's when you get to that implementation stage and try to make something work in every school where you don't necessarily have 100% passion, excitement and commitment that implementation and sustainability get much more difficult. You're much more eloquent than I am in reflecting on that.

**Ms. Mary Jean Gallagher:** In fact, that's why while we talk about an OFIP program or a tutoring program—they really aren't programs. I mean, they're programs of the LNS and the ministry, but when you see them at a school level, they're really about increasing the capacity of teachers and principals on the ground in schools to be able to do those good things for kids that evidence and research tells us will make a difference, and sharing that information more accurately and more nimbly across the province. Once teachers understand that there's something that they can change in their practice that will make a difference in the outcomes for kids, you can't stop teachers from doing that.

**The Vice-Chair (Mr. Peter Shurman):** Thank you very much. Let's move on to the Progressive Conservatives. Mr. Ouellette.

**Mr. Jerry J. Ouellette:** Thank you very much for your presentation. I always try to live by the premise that if you teach a student, you teach a singular; if you teach a teacher, you teach the many.

Just to follow up on this, a lot of the program-based information appears to be students' results-based information. Some of the programs that are taking place in some of the schools, at least in the Durham board, the local board—and that would be the example that I would necessarily need to use—are that students who are not necessarily making the grade are encouraged to participate in some of the programs that you mentioned here: the OFIP tutoring program, for example. But what we're finding is that it's the same individuals who are teaching the same things, just at a later date with additional funding, and the end result appears to be very much the same.

What I'm saying is that when you speak about increasing the ability for those teachers to perform for those kids, are there any programs that are going out there to assist those teachers to make sure that they can fulfill those areas that aren't being taken care of in the kids' needs?

**Mr. Mary Jean Gallagher:** Actually, there are a number of programs, and we have evidence that they are working. While we look at Ontario's results and the fact that we've improved the numbers of students at level 3 and 4 performance from 54% to 67% overall, buried underneath of those numbers are some really interesting results. For instance, if you looked at grade 6 writing, as an example, we track and look very carefully not only at who's making it to level 3 and 4, but across the province, how many students do we have who would still be exempted from the test? These would be students with very high levels of special needs for whom the test would not be appropriate and relevant. Who do we have among the students who don't even put enough down on the test to be able to make it to level 1? What proportion of students do we have at level 1, what proportion at level 2, and what's changing in those numbers over the years?

I raise that in response to your question because, as an example, in the grade 6 writing—and the others are similar—we've moved the number of exemptions on the tests over the last five or six years from about 5% of the province's population to 3%, which is probably about equivalent to the number of students who we know who legitimately should be exempted from doing the writing test.

The fascinating story is in the below level 1 and the level 1: We've gone from 5% of our students who could not even put enough on that test to be able to make it to level 1 to less than 1% of our student population in that category. Over the last six years, we've gone from 5% of our kids producing work at level 1 on those tests to less than 1% of our kids producing work at level 1. So those very students who I think you're speaking about, who are really the ones who struggle the most, we've had the greatest impact on them right across the province, and that includes that.

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We also, for instance, have a number of resources that we provide directly to teachers: things like our DVDs and our monographs on what works and a number of resources like Making the Grade, resources for teachers that help them focus on that.

The other interesting part of our story, by the way, is that now that we know we have the kids who we really need to reach, for the most part, in level 2 in their results, we've had a very clear focus this year on partnering with teachers. The Durham board's been involved in that program with us. There, we have a teacher working side by side in classrooms in several schools where we know we have a larger number of students producing work at level 2. We've been looking and working with those teachers to really clearly and precisely define what kind of tasks a teacher needs to give a student who's working at level 2 so that their work and understanding can progress to more reliably producing work that would be at the level 3 area. What kinds of feedback do teachers have to give students to be able to move them along? What is that student's work telling us? Then we take that information and share it with teachers across the way.

**Mr. Jerry J. Ouellette:** You mentioned programs and evidence. Can you provide the committee with those programs, a listing, the evidence and where it's been utilized and in which boards, just so we have a working background of how we can obtain more details on it?

**Ms. Mary Jean Gallagher:** We can identify the boards that are involved in particular programs.

**Mr. Jerry J. Ouellette:** That's good.

You mentioned about the smaller and northern boards and the difficulty of numbers-based or program-based funding. I would have thought that, in a lot of those smaller classroom settings, there would have been a smaller demand for a lot of assistance simply because the teacher-to-student ratio would be that much less. Are you finding that potentially the case in some of these smaller communities?

**Ms. Mary Jean Gallagher:** Smaller pupil-teacher ratios make some difference, but the problems that we have in a number of those more isolated schools are that, first of all, teachers don't have other colleagues in the same numbers who may be teaching the same areas that they're teaching to work with as they make progress. You may be the only grade 3 or 4 teacher in the school, or whatever. As well, every school has a set of community needs around it—community factors, social factors and family factors—that affect a child's performance in school. So it's not quite that simple a relationship.

**Mr. Jerry J. Ouellette:** Okay. Again, on the chart, we've had this discussion in the past before this committee regarding the relationship or the comparison between the English-language schools and the French-language schools. We've had the discussion in the past where the curriculum is very different for the French-language schools. Can you just give a brief rundown as to why you're seeing such large differences between the two school boards and the results?

An example I can give you: In 2003-04, you had reading at 58% for the English board and 63% right up to 2007-08, where you had 66% for the English- and 75% for the French-language schools.

**Ms. Mary Jean Gallagher:** There are a number of differences in terms of the ability of the English and the French schools to focus on improved outcomes for students. Just as I said earlier, it's almost impossible to say which factor has the particular impact.

I would first of all point out that the French school boards, for the most part, have had full-day learning in junior and senior kindergarten for a number of years. I believe that that has a significant impact, particularly on the grade 3 results and on building that foundation for learning that carries through into later years.

The French school systems are, as you well know, a lot smaller and distributed broadly across the province. They have historically worked much more closely together and in a much more collaborative way. They have, I would submit, much more effective knowledge mobilization capacity, in terms of being able to move good practices from one of their areas to the others much more quickly.

There's also a sense within the French school system that there's always been this really clear focus on saying, "We need to improve those outcomes for our kids because people have to make a conscious choice to send their kids to our schools." There's a little bit of, perhaps, competition there that aids the French school boards being able to address that.

**Mr. Jerry J. Ouellette:** You mentioned all-day kindergarten and the possible impact on the French-language schools. There was a program that was announced quite a number of years ago called the Best Start program, which was essentially trying to possibly emulate that end result. Can you kind of give us a breakdown or outline of what has taken place with the Best Start program?

**Mr. Kevin Costante:** I think the Best Start program was a program of the Ministry of Children and Youth Services. It was to provide more child care services across the province. It was part of the core of the child care program, as opposed to the early learning directed program that we are introducing for four- and five-year-olds. It was more child care than early learning.

**Ms. Mary Jean Gallagher:** Best Start was designed to provide child care programs within individual schools. The funding didn't materialize, subsequent to an electoral change, to the extent that it was originally supposed to, which made it a little more difficult, as well.

One of the pieces within the early years kindergarten programs in the French systems that we know makes a huge difference is that in the French schools, while they're all children who would be entitled to French-language education, they may, in fact, come from English-speaking homes with a French tradition and history. What happens there is, in the early years programs in the French school systems, there's a huge focus on oral language development. That is a really critical and important component to learning to read.

Just as a practical example of that, it's more difficult to teach a deaf child to read than it is to teach a blind child to read. Think about that. It's more difficult for a deaf child to learn to read than it is for a blind child to learn to read. That seems, on the surface, as if it would be counterintuitive, but think about what happens when you read a document: You hear the words in your head. Whenever you're reading a page, it's like you can hear the words in your head. If you've never had a hearing experience, if you've never heard those words, it's very difficult for you to learn to read.

When you translate that into the data that talk about children and their language and vocabulary when they arrive in kindergarten, a child arriving in kindergarten—and this is age 5—from a higher socio-economic background home actually comes with a vocabulary of about 1,100 words, and children coming from lower socio-economic background homes come with a more limited vocabulary of about 500 words. What happens is that those children don't have that precursor early language development, that vocabulary and oral language that

allow them to make the same progress when we're talking about teaching them to read.

The French boards, because they are not only teaching children to read, but in fact, for many of the children in their school, they're teaching them a new language, their early years program has had a huge emphasis on oral language development. It's why we've been working with a number of northern school boards on an oral language program with some international researchers in their schools to see if we can, in fact, make a change in that area.

The other thing I would point out is that the French school boards, in terms of their results—if you get behind the overall French results, there are 12 boards, and there is a significant number of those boards that are doing very well, but for instance, among many of the small French school boards in the North, their achievement is as much of a challenge as it is for our English boards in the north. They're just very small numbers.

**Mr. Jerry J. Ouellette:** I would have thought it would have been in French immersion where the teaching of the language would have been a larger focus, whereby going to the French schools, most of those individuals predominantly already learned or know the language of French. I would think, then, if this is the case, would not that premise be expanded upon to teach French in, say, English-running schools at earlier grades in order to stimulate that mind experience to make sure that those students can grow into that?

**Ms. Mary Jean Gallagher:** The French first-language schools and the French boards across the province are designed for students who have French-language rights under the charter. Not all of those children, however, speak French in the home. In my own community, which is Windsor and Essex County, we have a number of families who would have French-language rights, but who, for whatever reason, have been in the community for several generations, and many of those families may have lost some of their French-language capacity.

The French-language boards, in fact, in their early years of kindergarten, do place a very high emphasis. A number of their kids come to them speaking French and from French-speaking homes, but others don't, and they accommodate that in their programs.

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The immersion question is interesting as well, in that generally the students in immersion schools, particularly by grade 6, do very well on the English EQAO tests when they take them. There is a focus on oral language within those schools. Individual boards have the right to decide when they're going to start their immersion programs, but there are programs right across the province in French immersion that start in early immersion or later. Interestingly enough, the research on French-language acquisition in those suggests that the kids are all at about par by the time they get to high school.

**Mr. Jerry J. Ouellette:** Still time?

**The Vice-Chair (Mr. Peter Shurman):** There's five more minutes for you.

**Mr. Jerry J. Ouellette:** Regarding programs for suspended and expelled students, how would they fall into play during the later years? Obviously, I don't think there's a lot of programs that are available. Those individuals who are expelled or suspended from schools are then put into other programs and directives those individuals fall to handle. Those individuals, are those marks separately calculated, or are they part of the school reporting that they've been suspended or expelled from?

**Ms. Mary Jean Gallagher:** My experience as a director of education tells me that that may vary board by board, but I don't know that for sure.

**Mr. Jerry J. Ouellette:** Is there additional funding? As you stated regarding northern individuals, with the cultural backgrounds in communities and the difficulties in a lot of these remote and small communities in northern Ontario and other parts, a lot of these individuals end up being expelled because of the difficulties they have in school. It reflects in aggression, anger and other aspects that come out, for attention and other reasons. Are there additional funds that are allocated to assist these individuals to ensure that they can achieve a higher level?

**Ms. Mary Jean Gallagher:** Some of that is SALEP. Some of it is alternative education programs etc. School boards do receive funding to assist with SALEP and those excused pupils. A number of those pupils are often also accommodated in—they used to be called section 27 schools, but I think the section number may have changed in terms of the Education Act that allows them. There's a number of different funding mechanisms that provide support to alternative schools, alternative school programs and so on. I don't have the details of that at this point in time.

**Mr. Jim McCarter:** Maybe I can just jump in. It may be the school safety program that you were talking about yesterday. I think there's a fair chunk of money in the school safety program—Mrs. Sandals might be aware of that—that falls into the suspended and expelled.

**Mrs. Liz Sandals:** Yes, I can actually answer your question. The students who are long-term suspended or expelled continue to get base funding. Plus, there's additional funding that goes to the board to set up the alternative program.

**Mr. Jerry J. Ouellette:** I've met with individuals who've been charged with the programs, and they've given me some insight on the way they operate. There were just some concerns on the way the funding was allocated in some areas because, quite frankly, it was specifically stated to me that they were told that they had \$1 million that they needed to find some place to spend in this particular program. I was quite surprised. That's why I was leading to that question. I think at this time, that'll do.

**The Vice-Chair (Mr. Peter Shurman):** I'd like to exercise the prerogative of the Chair. Besides, our party has about three or four minutes left.

I've been very interested in the conversation that I've heard so far, and it is a conversation. What you're talking about is, in your words, a work in progress, and it's very

much a micro view of what you're trying to do. I want to try to introduce the macro view.

I'm looking at the auditor's recommendation number 3, and I'll read it into the record because I'd like to get a reaction from 30,000 feet:

"To ensure that student achievement initiatives are effective and that limited resources are used appropriately, the literacy and numeracy secretariat should:

- formally evaluate how well all its program initiatives contribute to improving student achievement, and modify or eliminate the less effective initiatives;

- ensure that its program funds are allocated to the areas of greatest need;

- ensure that program funds are being spent for the intended purpose;

- ensure that expenditures made by the council of directors of education are appropriately approved and supported; and

- reconsider pre-flowing funds to 'banker' school boards."

You have touched on every single one of these in the initial presentation, Deputy Minister, but it seemed to me when I read this that this was about connecting the dots. In other words, if all of these work together well, my interpretation of what the auditor was saying is that you would improve the overall ability to do what it is you're trying to do, which is bring the scores up across the board, report properly to parents, account properly for the kind of money that's being allocated and allocate that money more appropriately by virtue of need, which has been discussed.

Can you talk to me from the 30,000-foot perspective and tell me whether or not you believe this is being achieved and what a realistic goal and time would be to be able to say, "We don't need that recommendation any more"?

**Mr. Kevin Costante:** First of all, I agree with what you've stated and the auditor's recommendation. I think it is important that we make sure that the money that we are spending here is used most effectively.

The auditor has recommended that we do reviews of our programs, and we are going to do that. We committed to, over a three-year period, review each of our programs to make sure that they are in the best direction possible. I think we also, frankly, have admitted that our documentation around how we spent our money in the past wasn't as good as it could be, and we are actively putting that in place so that we have proper contracts, so that we monitor those contracts, so that we follow up and so that we use evaluation to determine where the money isn't being effective or being used effectively and redirect that money to where it could be better used. I think from 30,000 feet, that's exactly the job we have to do.

I actually don't think you're ever done in that job. I think there has to be continuous review. I think circumstances are going to change. A program that might be working quite effectively, three or four years from now, the environment changes, the climate changes in

our school, and you have to change it. I think we have to be fleet of foot, which we've been trying to do, but we need to make sure that our documentation keeps up with the speed of our feet. I think that's what we're trying to do.

**The Vice-Chair (Mr. Peter Shurman):** Well, that's good, and I agree that that's what you have to do. But I guess the point I'm trying to make is that taking each of these bullet points individually and not putting them together so that you create the overall desired result would be the thing that I fear most.

**Mr. Kevin Costante:** Yes. I couldn't agree with you more. I think that comes at many levels. We need to make sure that the boards are transparent within their communities about what they're trying to achieve in terms of student achievement and report on that and be held accountable not only by the ministry but also by their parents and by their school community. We are doing that through board reports and director's reports that now are posted online. We are trying to do that by having province-wide testing that, again, for every school, we publish the results of. I think we need to make sure that we have all of the financial accountability mechanisms in place, and we are doing that.

The specific problem areas that the auditor pointed out regarding banker boards and the Council of Ontario Directors of Education, we subsequently went and followed up and put the documentation in place so that we knew where that money was, what it was being used for and how we would get reports back on its use. Again, if money is not being used, we will recoup it. If the money is not being used effectively, we will move it, when the contract expires, from one area to another area.

I think we are trying to make the linkages between what's happening on the ground in the classroom with an individual student right up to broad accountability of schools and boards and the ministry to our public.

**The Vice-Chair (Mr. Peter Shurman):** And may you succeed.

You had a point to add?

**Ms. Mary Jean Gallagher:** Just a supplementary to that: One of the other activities we've undertaken with the assistance of our internal ministry audit department is we're actually developing a logic model for our programs that will link strategic planning to the funding process and the outcomes. That may be that higher-level planning framework that you're looking for.

**The Vice-Chair (Mr. Peter Shurman):** Thank you very much. The NDP: Mr. Marchese.

**Mr. Rosario Marchese:** Thank you, Mr. Chairman—Mr. Neutral Chairman.

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**The Vice-Chair (Mr. Peter Shurman):** I do the best I can.

*Interjection.*

**Mr. Rosario Marchese:** That's right.

I'm going to follow up on that in a few moments, but I want to start with something else which was touched upon by Liz. The auditor's report, on page 188, says the following in one area:

"Secretariat program funding was not always allocated to school boards and schools with the greatest need. Funding for some of the secretariat improvement initiatives was based on average daily enrolment (rather than on relative needs); in other cases, the secretariat could not fully explain how the amount of funding that went to each school board was determined. For instance, we found that for one major program, the funding for the board with the greatest number of schools designated as low-performing was only \$17 per student, while several boards, with no schools designated as low-performing, received more than twice this amount per student."

In my mind I agree with many philosopher types who say that education is the great equalizer. If that is true, the statement I just read from the Auditor General—it doesn't do it; it does the opposite, in fact. While I understood the answer you gave to the question from Liz Sandals about some money going on the basis of need and some money going on the basis of wanting to train all teachers, and while it sounds logical, in my mind it doesn't make any sense if we want education to be the great equalizer, because we know where the problems are, and most of them are socio-economic. I don't believe there's any magic to that. I think most of us who have been in the educational system know that.

If that is true, how do we explain the fact that—and do you know or don't you know?—most of the money goes to the Ontario focused intervention partnership, which is \$92 million in total so far. This isn't a new program. Much of what has been reviewed is based on something that has been going on since 2004. I understand that it's a work in progress and that you're moving fast on your feet, but it is rather long in terms of how long we've been doing this and whether we're learning fast enough on our feet.

Do we know how much money is going on the basis of need versus general enrolment for the Ontario focused intervention partnership, which appears to be the largest component of where the money goes? Do we know? If we don't know, why not?

**Ms. Mary Jean Gallagher:** Yes, we do know.

**Mr. Rosario Marchese:** Okay, so what are the figures for that one?

**Ms. Mary Jean Gallagher:** I don't have the figures for the whole program here. I could supply them at a later point.

I do want to make the point, though, that, for example, in the example that was cited within the auditor's report of the \$17 per student and the other board, the board that they used as a comparator in that example was a northern board with a very large geographic footprint that had 1,357 students. It received a total of \$112,585 in funding over several programs, or \$83 a student, while a large board in the south with more than 240,000 students received more than \$4 million, or \$17 per student. So I would submit that the comparator that they were talking about of \$17 per student in a large urban board in the south, with 240,000 students—we all know that's this board right here around us, Toronto public—while one of

the boards in the north received \$83 per student—it's not just enrolment or the number of schools in need, but in fact some boards in the north had schools that were OFIP schools that did not appear in the public designation of OFIP schools because their data was suppressed. We know about those schools.

The other thing I would submit in that particular example is that the geography of the numbers in the north makes a huge difference too.

**Mr. Rosario Marchese:** All right. We only have 20 minutes.

Forget that example, because you seem to be focused on that example. The auditor may or may not have a comment on it, and it would be nice to deal with that example, but I believe money should be distributed on the basis of need. When you look at—and I'm going to go through the list—the Ontario focused intervention partnership, how much money is going on the basis of need?

**Ms. Mary Jean Gallagher:** I would submit that all of the money is on the basis of need, because every board and every school has some students in need. Specifically, in 2006-07 to 2009-10, out of the \$25-million total, \$12.5 million was based on enrolment to assist—and I've just received this information from some folks here—but \$12.5 million, or 50% of that money, was funded on the—

#### *Interjections.*

**Mr. Rosario Marchese:** With that noise, it's hard for me to hear, actually, if you don't mind. Sorry, I'm getting older.

**Ms. Mary Jean Gallagher:** Right—\$12.5 million was based on enrolment, and that's because every board has some students in some schools that are lower achieving than others and need help. The other half of the funding from 2006-07 to 2009-10 was specifically designated to schools that had needs.

**Mr. Rosario Marchese:** Would the Auditor General have a sense of the distribution of those dollars or was it just a guess?

**Mr. Jim McCarter:** The main point was that, when we asked, "How did you go about allocating these dollars?"—we're skeptical people. If you say it's based on need, then show us. There wasn't really any documentation or anything where someone could say, "Here's how we allocated it. We specifically looked at low-performing schools." So our first question was, we thought that there should have been some—our biggest issue was more documentation and how they went about it: "If you did allocate on the basis of need, do you have anything in writing or can you show us how you did it?" I might as well say, a year later, when we come in and do the follow up, that's probably the question that we'll be asking: "If you are doing it on the basis of need, let us have a look at how you're doing it." Basically, let's have a look at the low-performing schools and look at some of the averages. That's the question we'd be asking a year from now when we come in.

**Mr. Rosario Marchese:** Right, and so when they come in with that question, presumably we'll have a

better sense of the proportion that goes on the basis of schools where you have socio-economic factors that we clearly understand. I'm assuming you'll have a better breakdown then. Is that the case?

**Ms. Mary Jean Gallagher:** We would have a better breakdown. We actually have very clear data about socio-economic challenges to schools and which schools those are etc.

**Mr. Rosario Marchese:** Right.

**Ms. Mary Jean Gallagher:** But we also match those to schools in terms of their overall results. One of the things I would point out with the OFIP program is that when we look at schools that are challenged by a number of circumstances and whose results are not where we would like them to be, we've moved the numbers of those schools from 19% of the population of schools some years ago to 6% or 7% now.

The other thing I would point out is that, in fact, our OFIP 1 and 2 program, because there are so few schools in that program, has been reduced to a school with less than 50%, and we are working directly with 137 schools across the province this year. We can identify exactly why those schools are in the program, as well as our schools in the middle.

**Mr. Rosario Marchese:** I guess I'm going to be happy to wait for your next report, because I think I'll get more clarity in terms of what I'm looking for.

**Mr. Jim McCarter:** It did look to us, from what data we did have, that enrolment certainly played a significant part in how the money was allocated as opposed to need, but again, there wasn't a lot of documentation one way or the other. So next year when we go in, we would like to see the documentation.

**Mr. Rosario Marchese:** That would be great. I'd much prefer to see that then where I'm going, because I'm not quite sure what I'm getting. I really don't, I have to admit. That's why you're an assistant deputy minister, in terms of giving the kinds of answers you're giving, because I'm not getting it.

I look at the big numbers here, in terms of capacity building: \$59 million. Capacity building, presumably, is training of teachers, and that happens all over the province, of course.

**Ms. Mary Jean Gallagher:** Support for improved teaching and learning, yes.

**Mr. Rosario Marchese:** And that \$60 million goes all over, and whoever is organizing it, they get money. I'm not sure it's evenly spread, but it's capacity training all over, generally speaking, right?

**Ms. Mary Jean Gallagher:** It is all across the province, yes, and it is—

**Mr. Rosario Marchese:** In terms of resources, that's another \$51 million. And I'm going to ask the same question that they'll be following up on: Is it based on need or enrolment? Presumably, we'll have better figures by next year, because I really would like a breakdown of that.

**Ms. Mary Jean Gallagher:** We have the figures. We will have better documentation.

**Mr. Rosario Marchese:** And I'll be looking forward to those numbers, including tutors in the classroom, because I suspect, if I read the report correctly, tutors are based on need. Is that correct? That's probably the only one where there is clarity. Is that correct? So with tutors, it appears that it does go where the need is, and we have better data on that, or at least they're saying that there is, but with the others, it doesn't appear to be clear. In fact, it suggests that the majority of funding goes to general, average-based kind of funding.

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**Mr. Kevin Costante:** I think we agree with the auditor that what we need to have for each of these programs is to be very specific about our funding formula and the rationale behind that funding formula, so that if we provide some of the money on an across-the-board basis, why? And if some of the money is targeted, why? The auditor is correct: We didn't do our documentation as well as we should have, and we hope to satisfy him when he comes back.

**Mr. Rosario Marchese:** Very good. And me too.

**Mr. David Zimmer:** Don't forget Rosario.

**Mr. Rosario Marchese:** Don't forget me.

I'm going to follow up on what Mr. Shurman was getting at, because you see, I looked at the auditor's recommendations on recommendation 3—I don't want to reread them, but they were very specific: "Formally evaluate how ... program initiatives contribute to improving student achievement...." And the answer is that LNS has moved forward and refined its strategies and initiatives based on current research and assessment. That, to me, doesn't answer the question. The auditor is saying "formally evaluate," and you say that you moved forward to refine your strategies. The point was that what we have at the moment isn't clear and your refinement doesn't seem to get at what they were suggesting. So I was very nervous about that.

**Mr. Kevin Costante:** I think in our response, we said that we would formally evaluate our programs over a three-year period, and we will begin that this year. The ministry has just completed an RFP process so that we have vendors of records who can do formal evaluations. We'll be moving on to undertake contracts so that we can begin the formal evaluation of our programs. We can't do them all at once. It's a large number—

**Mr. Rosario Marchese:** Okay. Sorry, Deputy, where's that?

**Mr. Kevin Costante:** If you're on page 198, I think it says at the bottom of the very first—

**Mr. Rosario Marchese:** I was reading your response to those—

**Mr. Kevin Costante:** I'm reading the response. At the bottom of page 198 of the auditor's report, first paragraph: "The ministry will develop a schedule to review its current programs over a three-year period."

**Mr. Rosario Marchese:** Okay. So in terms of formally evaluating how program initiatives contribute, you'll do that in three years—

**Mr. Kevin Costante:** If I can go to page 4 of six, then, of our—

**Mr. Rosario Marchese:** Page 4 of six, right. It says specifically there that a review will take place on the following initiatives.

**Mr. Kevin Costante:** Right, in 2010-11. So in the first year—

**Mr. Rosario Marchese:** So tutoring, OFIP, and then small northern boards, math and the school effectiveness framework.

**Mr. Kevin Costante:** Right.

**Mr. Rosario Marchese:** So if I can ask the auditor, because the ministry's simply saying that in three years, they'll do what you're recommending—I'm assuming it's in part or in total, I'm not sure. They'll have a report in terms of a full evaluation on tutoring, OFIP, small northern boards, math and the school effectiveness framework. Is there something else they're missing?

**Mr. Jim McCarter:** Essentially, what they're doing is what looks like a mix of the big programs like OFIP and a few of the small ones the first year. Then the second year they're going to do a couple of other big ones and a small one. And in the third year, if I understand it right, it looks like they're going to be doing the last couple of big ones and a small one, if I am to interpret what is on here.

**Mr. Rosario Marchese:** And you're okay with that? Is there something missing? Does that address what you were asking?

**Mr. Jim McCarter:** Yes. That's exactly what we'd like to see. Do an assessment: What bang are we getting for our buck, and if we have things that are really working well, let's make sure they're transportable across the system.

**Mr. Rosario Marchese:** Can I ask you, does three years make sense? It takes time. I'm not asking to be political.

**Mr. Jim McCarter:** I think it would be difficult to do them all in one year. Whether you do it over two or three years—I think no longer than three years, I would hope.

**Mr. Rosario Marchese:** Okay. Can I ask you, banker boards used to get a 13% administration fee; in some cases, it was higher. Is that still going to happen in terms of the administration fee they charge, should you continue to choose some large board to administer those funds?

**Mr. Kevin Costante:** Part of our review will also be what admin fee we would pay to use banker boards or lead boards. So we're not wedded to a set percentage. If we continue to use them, we'll also be considering what's the best way to pay admin costs so that it's appropriate and relevant to the effort made.

**Mr. Rosario Marchese:** And the 13%: Do you know what they do with that 13% of that fee, with that money?

**Mr. Kevin Costante:** That's the money for their overhead, for their people to do whatever organization we're asking them to do: to make phone calls, to organize things, to work with their other regional boards.

**Mr. Rosario Marchese:** And does 13% seem excessive to you or a reasonable amount?

**Mr. Kevin Costante:** I think it would have to be part of the review.

**Mr. Rosario Marchese:** So we're doing a review on that?

**Mr. Kevin Costante:** As a deputy who's always where there's not enough money, lower is always better.

**Mr. Rosario Marchese:** And do CODE—the council of directors—charge an administrative fee?

**Mr. Kevin Costante:** Yes, they do.

**Mr. Rosario Marchese:** Yes? The same amount—13%—or more? We don't know? We do?

**Mr. Kevin Costante:** I think it's varied from program to program, as I understand. We will also be reviewing that as well.

**Mr. Rosario Marchese:** You did say that in your report, correct?

**Mr. Kevin Costante:** I believe we did.

**Mr. Rosario Marchese:** Can I ask you, in reference to some of the research that the Auditor General was doing—there's a reference on page 189, under "Overall Ministry Response," that in "2008, a leading research company evaluated initiatives...." Who is that leading research company?

**Mr. Kevin Costante:** That was the CLLRNet report that I referred to in my remarks. Let me give you the formal name, if I can find it—just a second. It's the Canadian Language and Literacy Research Network.

**Mr. Rosario Marchese:** Is there a name attached to the person who does this work, or is this just the—

**Mr. Kevin Costante:** There were several researchers.

**Mr. Rosario Marchese:** Do they come out of OISE or somewhere else?

**Mr. Kevin Costante:** Sorry; I'll pull out the report and let you know.

**Mr. Jim McCarter:** I think there might have been eight or nine researchers involved, if it's the one I'm thinking about. There were a few professors, I think, but I think the deputy has it there.

**Mr. Kevin Costante:** I can either give you the report—there are eight or nine of them, and they're from—

**Mr. Rosario Marchese:** If you don't need that report I'll take it out of your hands.

**Mr. Kevin Costante:** We have copies.

**Mr. Rosario Marchese:** And it's so heavy anyway. Thank you.

As well, on page 192, there is reference to "a consultant the ministry engaged to review school board improvement plans...." Is it the same group that did that? A different group?

**Ms. Mary Jean Gallagher:** No, it's a different group. It's a gentlemen by the name of Douglas Reeves from—he was from Boston? Harvard?

**Mr. Rosario Marchese:** He is a professor, I'm assuming?

**Ms. Mary Jean Gallagher:** He's from the centre for leadership in Boston, at Harvard University.

**Mr. Rosario Marchese:** And there's another one, on page 194: "In 2008, a global leader in enhancing student

achievement...." Is that a different person or company? That's page 194, under "Ministry Response," second paragraph, the bottom of the page: "In 2008, a global leader in enhancing student achievement and improvement planning was commissioned to perform a comprehensive review...."

**Ms. Mary Jean Gallagher:** That's the same study. That's Douglas Reeves.

**Mr. Rosario Marchese:** Same study.

**Ms. Mary Jean Gallagher:** Yes.

**Mr. Rosario Marchese:** And on 195: "The programs the secretariat develops are also based on advice from educational advisors hired by the ministry...." Is that a general remark in terms of special advisors or educational advisors, or is there someone attached to who those people are? Is there a name or names?

**Ms. Mary Jean Gallagher:** That would be Michael Fullan.

**Mr. Rosario Marchese:** Mike Fullan? Is he a special advisor you hire every now and then to give you advice on these things?

**Mr. Kevin Costante:** Yes. He's on contract with the ministry part-time.

**Mr. Rosario Marchese:** On contract? So whenever you need—he gets paid a sum based on the work he does, or is that—

**Mr. Kevin Costante:** I believe it's a per diem.

**Mr. Rosario Marchese:** The ministry responds, on page 198, at the top of the page, that "an external review by a leading Canadian research company was commissioned." Is that someone you already referenced, or is it different?

1400

**Ms. Mary Jean Gallagher:** That's the CLLRNet report.

**Mr. Rosario Marchese:** I had a few other questions. Move on; we'll come back.

**The Vice-Chair (Mr. Peter Shurman):** We'll move to the Liberals. Ms. Sandals.

**Mrs. Liz Sandals:** I have a couple of questions and then I'll share my time with Mr. Zimmer. When we were chatting before, we were talking about accountability. Another aspect of accountability that the auditor raised was around school improvement plans and board improvement plans and just what degree of accountability and review and monitoring there was. I know that since the time the auditor did his work Bill 177 was passed, which has a much more formal requirement for a board's multi-year plans and for measurable targets and submission to the ministry. So I wonder if you could review that work, where it's at and how that will tie in with your work a little.

**Ms. Mary Jean Gallagher:** Yes. Like so much of the work of the secretariat, we work in partnership with school boards and schools to improve student outcomes. That partnership really becomes an iterative process. Back in about 2006, I think, the LNS started to say to school boards, "You need to have a specific plan to improve student achievement and it needs to have some

of these components,” and school boards produced their plans. It was on that basis that Douglas Reeves was engaged in 2008 to review school board plans.

As a school board director, I thought I was paying pretty good attention to improving student outcomes in my jurisdiction. I thought we had pretty good school improvement plans in place and a pretty good board improvement plan in place. I was proud of it; I was sharing it with people across the province. I got back from that exercise facilitated by the LNS a 27-page report in huge detail, as did all of my colleagues across the province. It was very specific about the things we were not doing and the ways in which we were not becoming nearly specific enough in what it was we were going to change, and in particular how we were going to monitor it, so that we could be assured that what we were doing actually were the things that would have an impact on the results. So we went back to the drawing board as a school board in 2008-09 in response to that.

This time around, the most recent cycle of improvement plans, the LNS asked school boards to submit their school improvement plans—last year, 2009, just as the audit was coming to a close—to us in June. We spent the summer reviewing those plans and developing those areas that we thought school boards needed more information on and what they needed to do differently. We gave each school board back, in regional meetings with them etc., feedback on their plan and on the overall board improvement plan in place.

From that, we developed a template that had a fair bit of detail about what a good plan should have in it. Quite honestly, if we had handed that to school boards a year or two earlier, there would have probably been a “We can’t possibly do that” reaction, but they had progressed to the point where, when we gave them the feedback in 2009, they said, “Oh, this is really helpful.”

We asked them to take that feedback in August, when they got their EQAO results, and update their plans and resubmit them to us in October. It was those resubmitted plans that then became the basis for our conversation with school boards throughout this past school year, and in particular the foundation for our discussion with them about accountability and how they were monitoring those changes etc. in January. In accordance with the auditor’s recommendations, we were very careful about providing better documentation of both that review in October and our meetings with school boards in January around that.

**Mrs. Liz Sandals:** But you’ve actually progressed now, then, to the point where you’ve given them some template of what the expectations are? Because my experience with school board plans or school improvement plans is that both have historically often been rather fuzzy in terms of the expectations, and trying to get people’s feet held to the fire so that they’re writing expectations that are actually indicators, that are actually measurable, has been, as my colleague said, like trying to turn the Queen Mary. So you’ve actually finally got to the point where there’s a template that says, “You need to have these sorts of expectations and indicators”?

**Ms. Mary Jean Gallagher:** Absolutely, and school boards are providing much more specific and measurable goals and targets, and plans to get there. They’re also including in there, which I think is one of the more important pieces, information for us about how they’re monitoring the activities, the results and the gains so that they will be able to more specifically report back to us what’s happening around those things.

**Mrs. Liz Sandals:** And—

**Mr. Kevin Costante:** Just on Bill 177, I think the overall tenor of the bill was to be clear with boards and with the broader public that it’s the responsibility of boards not only to be fiscally responsible but also that they have a core responsibility to concentrate on student achievement and student wellness. That’s what the bill lays out. It does call for multi-year plans. It also provides that we can introduce, for the first time, an internal audit process within boards to help them do their assessments, just like ministries do, about what’s working and what’s not working. The bill was really to be clear. I think many boards did take those responsibilities very seriously, but we wanted to be clear that those were their responsibilities and not somehow just delegated to the board administrative staff to look after, that the board itself had a duty to think about and hold their administrators responsible around student achievement.

**Mrs. Liz Sandals:** The other issue I wanted to raise was something that the auditor had mentioned, which is about measuring the gap between the lowest-performing and the highest-performing, and this is something that I’ve been actually quite interested in for a long time. I know that some of the international test data back in the late 1990s, some of the OECD data, were actually measuring socio-economic status against test scores internationally, and quite interestingly—and the members of the Conservative Party should maybe pat themselves on the head for this partly as well—even back in the late 1990s when you looked at Ontario versus other Canadian jurisdictions but also internationally, the gradient was actually quite shallow, in the sense that we had a much smaller gap based on socio-economic status in Ontario than in virtually all other jurisdictions around the world. I thought it interesting that the auditor raised this because I happen to personally think this is really important, so I’m glad you raised this. But I’m wondering what work we can do in the literacy and numeracy secretariat as a follow-up to the auditor’s suggestion around looking at this whole issue of measuring the gap.

**Ms. Mary Jean Gallagher:** We do pay very close attention to gaps for a number of groups. First of all, you’re absolutely right: We are recognized internationally as having—the OECD has assessed Ontario as a jurisdiction of educational excellence and equity, and those two don’t always go together in their assessments of various nations’ and groups’ systems. What they say is that Ontario actually has about half the gap of many, many other countries in the norm. We measure internally gaps for some very specific groups already and track the results, and there’s some very good news in the last few

years in those areas. We know, for instance, that from 2002 to 2008-09, in grade 6 writing we have reduced the gap of the English-language learners' performance by half. That, to me, is a very, very good sign for the province of Ontario, given the number of students we have coming to us from all over the world, and that's something that the international groups recognize as well.

**1410**

**Mrs. Liz Sandals:** And I assume that's mainly because we've raised the bottom, as it were?

**Ms. Mary Jean Gallagher:** Oh, absolutely. Our overall performance has in fact improved, but the rate of performance of our English-language learners on that test has been twice that.

We have also significantly reduced the gap for students with special needs. We have a long way to go yet, but we have made some significant gains and maintained those gains over the last couple of years. Again, that's all about that precision of teaching, that we're starting to be able to take what a teacher's doing in a classroom that's actually working and identify that and turn it into a broader practice more quickly than we ever have before.

There are still some areas we need to work on, in particular the socio-economic gap; we've been paying increased attention to that lately. We know our OFIP program. In fact, the schools in OFIP 1 and 2 were much more likely to be those schools that had socio-economic challenges and ELL challenges and challenges of students with special needs.

Most recently, for instance, was our Schools on the Move publication, which generally identified schools across the province that were continuing to improve and could articulate what they were doing. This year's selection of schools that will be celebrated in June are in fact schools on the move in challenging circumstances; the socio-economic gap is one of those. What we've done there is identify, so that other schools can notice and pay more attention to the fact that there are a lot of schools out there that are regularly proving that demographics are not destiny. We need to take those practices and move them from school to school more rapidly.

**Mrs. Liz Sandals:** Okay. I'm going to turn the time over to Mr. Zimmer.

**Mr. David Zimmer:** On Friday night, on the weekend, I was at the Collingwood conference, the so-called Thinkers' Conference, which might be characterized as elitist. But anyway, on Friday night there was a speaker—and I've run this question by my friends here—Malcolm Gladwell, a big social critic. The place is chock full of people; everybody's there on Friday night, and Malcolm Gladwell gives the keynote address. He's talking about a number of things, and he starts to talk about education and the importance of having a whole lot of smart and well-educated people in Ontario to carry through with the future.

He said that his solution, to use your expression, to the student outcomes problem was that—and he said that all the data that he had researched supported this. He said

that all of these various initiatives—reduction of class size and all the other technical initiatives—didn't matter a tinker's damn; that the only thing that really mattered was the quality of the teacher and the ability of the teacher to inspire and connect with a kid.

He then went on to say that his data showed that, at best, there might be a 5% effect on student outcomes if class sizes were significantly reduced. Then he went on to say, "How do we get these really good teachers?" In terms of class size, he said, "My colleagues—we could have a class of 35 or 40 kids, and if we've got a really bad teacher, you're going to get bad results, even if you reduce the class to 15. If you've got a class of 40 and you've got a really good teacher, the results will dramatically go up and the results will stay up for three years if you've had a good teacher in a good class for a year."

Then he went on to say, "How do you get these really good teachers?" The first thing he said he would do is shut down the teachers' college. There would be no formal teacher training. His solution was that he'd go around to the schools and the school boards and so on and ask around to identify the really good teachers. Then someone who wanted to be a teacher would be told, "Go and visit so-and-so"—who, by everybody's agreement, is a really first-class teacher—"and we want you to go and spend a couple of days with that person. They'll take you into the classroom; they'll try you out." You don't need any formal teacher training, but that really good teacher can quickly make a judgment call that this person has the ability to teach, this person has what it takes—

**Mr. Rosario Marchese:** Should we do that for lawyers, too? What about doctors?

**Interjection:** Watch it.

**Mr. David Zimmer:** —and this person doesn't have what it takes, and then he would say to the person who doesn't have what it takes, in that expert judgment, "Look, get another career. Become a lawyer or a bricklayer. Do something else." The other person whom they identified intuitively with that teaching skill set, they would lavish training on them first and, if they had any money left over, then they'd turn it to class size and all these other initiatives that we've been talking about today. So what do you think of that?

**Mr. Rosario Marchese:** So the question is, what do you think?

**Ms. Mary Jean Gallagher:** I'm sorry, what was the last part of your question?

**Mr. David Zimmer:** So what do you think of that idea?

**Ms. Mary Jean Gallagher:** Oh, what do I think of that idea. Well—

**Mr. David Zimmer:** Were you at the conference?

**Ms. Mary Jean Gallagher:** I wasn't at the conference.

**Mr. David Zimmer:** Did you read the pieces in the paper the following day?

**Ms. Mary Jean Gallagher:** I've been reading some of the follow-up to it.

**Mr. David Zimmer:** So what do you think?

**Ms. Mary Jean Gallagher:** First of all—

**Mr. Rosario Marchese:** With all due respect.

**Ms. Mary Jean Gallagher:** With all due respect, yes.

Malcolm Gladwell is, first of all, based outside of Canada. He's based originally in Europe. I would suggest that I've read the same kind of documents he's read about the intent of class sizes—

**Mr. David Zimmer:** He grew up and went to school in Elmira, Ontario, in a farm school.

**Ms. Mary Jean Gallagher:** Oh, did he?

**Mr. David Zimmer:** Yes.

**Ms. Mary Jean Gallagher:** Isn't that interesting. I didn't know that.

**Mr. David Zimmer:** And he went to the University of Toronto. He worked his way up from a farm to the U of T to where he is now.

**Ms. Mary Jean Gallagher:** So that says something about Ontario's education system perhaps, but anyway, that's an aside. Pardon me.

One of the first comments I'd make is that the research around class size—first of all, let me deal with the class size issue—that Malcolm Gladwell was basing his comments upon is, I think, probably much of the same research that I've looked at. And the research around class size first of all makes it clear that if there is an impact to class size reduction on the quality of outcomes for student learning, it is more likely to be in the primary division than it is anywhere else. So there's that first piece of evidence that comes from the research around that.

Also, if you look at many of the large-scale attempts to reduce class sizes, whether it be in California or in some other jurisdictions internationally, the research will tell you they've actually, in some jurisdictions, resulted in a lowering of the quality of learning for kids. Here's what they say is the reason for that: When you, as California did, do a large reduction in class size, you bring a huge number of new teachers into the field. If you don't have a supply of highly qualified, professional teachers available to do that, you bring into your schools people who would not have otherwise been your choice to bring in—

**Mr. David Zimmer:** Well, of course. That's why he had part 2 of his thing, about how to identify a high-quality teacher.

**Ms. Mary Jean Gallagher:** I'll come to that.

There are a couple of things I think Ontario did very differently from other jurisdictions around the class sizes. First of all, we did it in an environment in which we know we have some of the most highly qualified teachers, and lots of them available coming out of our teachers' colleges. I'll come back to the teachers' colleges. The other thing we know is that Ontario implemented its class size reductions over a three-year period of time, which from a school board director's point of view gave me the opportunity to be pretty picky about those extra teachers that I was hiring. So I would submit that we did not make the mistake that other jurisdictions made.

The other piece that I believe is absolutely critical is that no other jurisdiction in the world that I know of did this at a time in which they were investing hugely in teacher capacity building, the kind of resources and support, support, support that the LNS has been giving schools and boards and teachers, because we are in a very real way asking teachers to be very different in their approach to teaching and learning than they've often been able to be in the past. We're asking them to be much more precise, to be much more evidence- and data-based, so that when they're working with kids and they say, "All right, if I teach this particular way, I'm expecting my class to learn these skills. Let's not leave it to chance. Let's do an assessment pretty quickly about whether each of my kids has learned these skills and to which degree. Then if my evidence isn't supporting what I know, what do I as an adult have to change in order to have that happen"—

**Mr. David Zimmer:** So what do you think of the correlation between extensive teacher—and is it possible to be a really good teacher without mountains and mountains and mountains of teacher training?

**Ms. Mary Jean Gallagher:** I think it's fascinating that in his comments Mr. Gladwell apparently said that we shouldn't send people to teachers' college but we should spend a lot of money training teachers. I thought there was a bit of a—

**Mr. David Zimmer:** Yes, but his way to train teachers was to attach them to—

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**Ms. Mary Jean Gallagher:** I thought there was a bit of an oxymoron within that.

Anyway, so my reply to all of that is that teaching is increasingly becoming more precise and more demanding, and teachers need more support, not less, so I would very clearly disagree with Mr. Gladwell's premise that you—

**The Vice-Chair (Mr. Peter Shurman):** Thank you very much.

**Mr. David Zimmer:** Can I get one in?

**The Vice-Chair (Mr. Peter Shurman):** Do you want to get one in? Sure, go ahead.

**Mr. David Zimmer:** How many employees are in the secretariat? How many person-years are in the secretariat

**Ms. Mary Jean Gallagher:** Employees at the secretariat?

**Mr. David Zimmer:** That are running the secretariat.

**Ms. Mary Jean Gallagher:** It's 102, the majority of whom are in the field with school boards.

**Mr. David Zimmer:** So a hundred and something in place. What's the budget?

**Ms. Mary Jean Gallagher:** The budget is \$81 million.

**The Vice-Chair (Mr. Peter Shurman):** Thank you very much. Mr Ouellette.

**Mr. Jerry J. Ouellette:** I'm going to follow up on Mr. Zimmer. I don't know if you have any more comments and wish to share some of my time regarding this track of questioning. I'd be happy to share some of it, if

you'd like. Do you want to continue on? Okay, I'll continue on.

*Interjection.*

**Mr. Jerry J. Ouellette:** I said I'm giving you some time if you want it. Do you want to keep asking questions.

**Mr. David Zimmer:** No, you can pick up on it.

**Mr. Jerry J. Ouellette:** Okay. Very clearly, I can tell you that in my own experience—each and every one of us would—the impact that teachers have can be profound. I coach kids' rep hockey and it's the same thing. My own son had a bad coach and quit hockey completely. It's the same thing with teaching. The most qualified teacher I ever had was the worst teacher I ever had. Wrote books, doctorates, and on and on—and he couldn't relate to the kids in any way, shape or form. Now, probably the least qualified teacher that I ever had was probably the best individual in nurturing, caring.

What can we do, then, to ensure that this continues on to make sure that the right individuals are teaching, because they can have such huge effects over long-term periods? There are individuals who are going through the motions just to be there and really don't care. At our school, they were called the 3 o'clock dashers. At 3 o'clock they were gone and you'd never see them again. But then there are those individuals who are there early and stay late and do a really good job for a lot of the kids. So to follow along that track, how do you find that balance to make sure that it's there? It's great that we have a standard-of-teaching level, but is it the right level?

**Ms. Mary Jean Gallagher:** The standard, I think, is the right level. I think that we also have clear evidence that over the last number of years we've actually been raising the quality of teaching across the province—and it was pretty good to start with. There are exceptions to that. There has also, over the last few years, been a process for teacher performance appraisal, and greater accountability around that performance appraisal process been brought to bear by the ministry as well. There's a whole different approach and a requirement that school boards take that on—quite honestly, again, from my experience as a school board director—more carefully, with more follow-up and more monitoring, as a result of that.

**Mr. Kevin Costante:** If I could add one thing as well just in terms of people going into teaching, in a job prior to this I was Deputy Minister of Training, Colleges and Universities, so this is maybe five-year-old information, but at that point there were six applications for every spot available in teachers' college. So the colleges were able to choose from the best and the brightest.

**Mr. Jerry J. Ouellette:** Well, they've been choosing based on what criteria? Basically academic as opposed to teaching. So that's where there lies a problem. I have a friend of mine who's a program director at one of the local high schools and his comments and suggestions to me were that we need to change the standards for entrance because there are a phenomenal number of individuals who wish to get into teaching but aren't one of those one in six that are getting it. The end result is

we're getting individuals who have great academic standards, but the ability to transmit that information in an understanding way to kids is not there.

By the same token, we have short-term periods of time when we have the ability to influence and direct kids. Quite frankly, one of my own kids, speaking of our own examples, had one of the toughest teachers in the school. I told him that was great. I said, "You think it's tough in school? Get a real job. Find out what it's really like in the real world. The harder this teacher pushes you, the more likely you're going to succeed." The year before, he had no homework and thought the world was great and wonderful. The end result was, guess what? He just kind of did what he had to do and got by. The reason I'm mentioning this is that I was happy they got the hard teacher.

Do you think that the SCCs, then, should have some ability in influencing the decision-making process by which principals are chosen for their schools?

**Ms. Mary Jean Gallagher:** By which principals are chosen for the schools? Yes, school councils do have input into that process. They don't have decision-making over it, but they are regularly involved across the province in developing for school boards their profile of the kind of principal that they think their school needs, which school boards—at least my school board and others, I know—pay very careful attention to when they were placing principals in schools and transferring them from place to place.

**Mr. Jerry J. Ouellette:** I'm surprised at that. I didn't realize—

**Ms. Mary Jean Gallagher:** There's a requirement around the work for school councils that requires school boards—and it's a ministry requirement—to give them that input around that decision.

The other comment I might make about some of the background to what you had raised as a question, this notion about different teachers in different schools with very different expectations of students etc., a lot of our work, in fact, involves bringing teachers together to work together to look at what their expectations might be in the primary division or the junior division in a school etc. We ask teachers to bring student work to those meetings so that they can actually start to compare with each other what their assessments of student work and what their expectations of students might be. Part of that professional dialogue and that collaborative work in a school that is increasingly taking place is about bringing all the teachers to the table and saying, "How are you, in fact, placing those expectations upon students, and what kinds of tasks are we putting there?"

The data that I, as a director of education, had on my desk, compared to four years earlier, again through the ministry's investment in OnSIS—the student information system—I was actually able to get data pretty quickly that compared teacher marks etc. from classroom to classroom and that looked at school results and looked for consistencies and inconsistencies between those things.

I understand exactly the point you're making about your son's experience with very different teachers from

year to year. Teaching is a very personal act, and there will be differences in how teachers do it, but I think we're making real headway in having teachers work together to be much more consistent in their assessments, expectations and tasks that they give kids.

**Mr. Jerry J. Ouellette:** I need to make something clear: Teaching and teachers are a wonderful building block in everyone's life. Quite frankly, I can name every teacher, from Ms. Luke to Mrs. Ward to Mrs. Brown, Mrs. Olasyk, Mrs. Bell, Mrs. Hamilton, Mrs. Bagg, Mr. Pratt and every single teacher in every single class that I ever had. But as I say regularly in speeches, and this goes over well for a lot of my colleagues, I couldn't tell you who the MPP was of the day or the mayor or anything else. That just goes to show the influence that their peer groups and teachers have on kids, and we need to make sure that we have the right individuals there.

Any suggestions that you have that we can certainly move forward to implement to make sure those right choices are there, I'd be certainly happy to move them forward to try to do the best that we can, to try to make that the best environment for the province.

I think those are all of my questions at this time, Mr. Chair.

**The Vice-Chair (Mr. Peter Shurman):** Thank you very much, Mr. Ouellette. Let's go to the NDP. Mr. Marchese.

**Mr. Rosario Marchese:** I was finding the philosophical discussion very interesting. I'm not sure that Jim does that kind of review in his audits, but—

**Mr. Jim McCarter:** I'm furiously writing here, as we speak.

**Mr. Rosario Marchese:** Right. It is an interesting debate. We have about 8,000 would-be teachers who come out of the faculties, and so there are approximately 5,000 we don't hire on a yearly basis. Presumably, they have a big pool of people to draw on because so many are unemployed at the end of it. I don't know why we accept close to 8,000 or 9,000 or 11,000 every year—I forget the number now—that we train in the faculties, and they all become unemployed. So one assumes there's a huge pool of good people, but that's a different discussion. I enjoy the philosophical discussion, because Gladwell raises some interesting points for debate, and I probably agree on some of it.

My daughter is a primary school teacher and we discuss often some of the things, Mary Jean, that you talk about. You make it seem so great, in terms of how well-prepared teachers are. I just don't know. It's a complicated job. Some training is helpful, no doubt about it. We do a day or two of training and we say, "We've done the training." Well, a day or two doesn't do much, except it's useful information, but whether it gives them all those fine tools that you speak of—it really is a very, very difficult job. I don't know how teachers do it, I really don't, because what they have to do is enormous. I don't know how you find all the skills that are required.

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My daughter and I talk about the different kids she has and the problems of trying to reach some of those kids.

How do we reach them? Those of us who have had children—or grandchildren, because I do; I have two—you realize they're so different. Quite frankly, I, as a former teacher, and my daughter, as a good teacher—I think she's better than I was as a teacher, except I was high school; she's elementary. I don't know where you find that knowledge to apply to the different approaches that are required to reach those kids. I don't know what it takes, I really don't, because we all learn differently and there are learning problems, there are social problems, there are economic problems. There are so many problems—mental illness. How do you reach them? I wish there were teachers who were that good.

**Mr. David Zimmer:** I can tell you my personal nightmare in school. It'll make your hair stand up.

**Mr. Rosario Marchese:** And I'm sure a lot of people have them. But at some level, a good teacher who is just a good human being will have a much more powerful effect than someone who has pedagogically learned all the little tricks to be able to reach different types. So you need so many different skills. God bless, I don't know how you find them, but that's a philosophical discussion, and I want to try to get back to some of the auditor's comments that have been touched upon by Liz Sandals.

The auditor said, "Ontario does not ... report on how wide the gap is between the highest and lowest performers." The auditor believes that such a measure would be useful and "would help the ministry evaluate whether ... the gap is being reduced." I listened to the assistant deputy, and you touched on many things that we're touching on: socio-economic; we've got some math experiments here and there; we do some focused work on boys and how they're learning. You touched on everything except, I felt, not answering the question, which I think is a useful one: that Ontario does not report how wide the gap is between the highest and lowest. Why don't we do that? Why can't we do that?

**Ms. Mary Jean Gallagher:** What Ontario reports are the proportions of students who achieve at levels 1, 2, 3 and 4 on the EQAO tests. So in a sense, the gap between the highest and the lowest students is the difference between a student performing at level 4 and a student who's not yet reached level 1. I mean, those are the curriculum tests, the EQAO tests that Ontario puts in place.

For individual groups, we certainly do track and provide the differences in group performance—between English-language learning students, between students with special needs. The other part that was within that same recommendation by the auditor had to do with cohort tracking and being able to say, "What about these students who, when they were in grade 3, were successful, but are not successful in grade 6? What about the ones who were not successful in grade 3 and what proportions were successful in grade 6?" and that sort of thing. We do that now. EQAO does provide that data now. It required a few years of having the OnSIS process in place to be able to track specific students through that.

I think we are producing more data and better data about various groups. The nature of that level 1, 2, 3, 4 reporting in the Ontario tests, however, means that on an

individual basis, you can't really designate what was the gap in performance. We can identify what the gap in skills is between level 1 and level 4 etc.

**Mr. Rosario Marchese:** So let me ask you: The auditor says that other jurisdictions are able to do that. In various schools every year you have this number of students producing here and this number here. Your point is, are we reducing that gap year after year? Some other jurisdictions measure how we reduce that—

**Mr. Jim McCarter:** Yes, we kind of had two points. We were suggesting increased cohort tracking and even maybe, perhaps, down to the individual student level.

The other thing we just threw out for the ministry to consider: What about consideration of possibly public reporting of some of this data? It would be what I would call a soft recommendation in the sense that we were kind of throwing it out and saying, "What do you think about some of this?" We were talking about whether the school boards should put on their website the school improvement plans, which I think some of the other jurisdictions, like Alberta and BC, do. So our comments were more along those lines.

**Mr. Kevin Costante:** If I could maybe help—

**Mr. Rosario Marchese:** And in response to that?

**Mr. Kevin Costante:** Well, this is—and I'm happy to give you this one as well, no charge—the Ontario student achievement report put out by EQAO. This year, for the first time, they were able to do cohort tracking. It starts on page 4, and you'll see it throughout the document. That is, as Mary Jean said, we started collecting individual student data four years ago; to do cohort tracking between a grade 3 student and a grade 6 student, you need four years' data. For the first time, they were able to do that, so you'll see it in this year's report. It does, as Mary Jean said, also give you by level and by year—below level 1, and levels 1, 2, 3, 4. It's perhaps not as exact as some of the others, but you can see, by percentage—and I think we can provide this by board as well—the difference between how many people are achieving at each at level. So I'll give you this one as well.

**Mr. Rosario Marchese:** You are so kind. You are here to serve today.

**Ms. Mary Jean Gallagher:** The Auditor General was correct in saying that that information is useful as it comes forward. A lot of our strategies, in fact, are based on the notion of what proportion of students we have left who are still at level 1 or below, as I was speaking about earlier, and what percentage of students we have at level 2 and level 3 and how we lift those kids up.

**Mr. Rosario Marchese:** Okay. On page 11, the auditor says, "Some boards do compare marks with the

scores, though this is at the discretion of school principals and teachers. After each of his school board visits, the auditor undertook his own comparison of report marks with scores. The results are listed in figure 4 below. The auditor noted several points, including the fact that for 4% of students, EQAO score bears no resemblance to report marks...." Can you explain that? What does that mean for you or to you?

**Mr. Kevin Costante:** Mary Jean can likely do a much finer job of this than I can, but I think there is a difference between EQAO, which is a test that occurs in the spring of the year, that's based on the curriculum, yes, that asks a set of questions, and that provides a standardized examination across the province of all students in that grade and in that subject; and report card marks, which are a summation in the judgment of the teacher over a period of time. I think, despite a standardized test, you can get—the student comes to school sick that day, maybe gets a bad mark. It may not be reflective of what the all-year work looks like. Maybe that's a bit of an unscientific—

**Ms. Mary Jean Gallagher:** No, I think you've articulated it well. The other comment I would make is that my experience as a teacher, as an educator, would lead me to the conclusion that the discrepancy is probably more likely to take place for those students who would have particular barriers to their learning. A teacher's assessment and a mark on a report card really reflects the student's work over time. For students with identified special needs, it reflects a student's work with the kinds of supports and accommodations in place throughout the year to assist that student. While the EQAO test takes place with some accommodation of special needs, it does not include the kind of broad accommodations that often take place in that student's work. It's why I think both the EQAO assessment and the report card marks are important assessments of where students are, and give boards, schools and teachers important information.

**Mr. Rosario Marchese:** Thank you. I happen to agree with that. Thanks very much. I don't have any more questions.

**The Vice-Chair (Mr. Peter Shurman):** Thank you very much, Mr. Marchese. That concludes the questioning portion.

I want to thank you all for appearing here. I've got to say, on a personal level, and I think I speak for everybody, it was a much broader discussion than I expected to have and very enlightening. Have a great day, and I would ask all committee members to stay behind for a brief in camera discussion.

*The committee continued in closed session at 1438.*



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2009 Annual Report,  
Auditor General:  
Ministry of Health  
and Long-Term Care

## Assemblée législative de l'Ontario

Deuxième session, 39<sup>e</sup> législature



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STANDING COMMITTEE ON  
PUBLIC ACCOUNTS

Wednesday 17 November 2010

COMITÉ PERMANENT DES  
COMPTESS PUBLICS

Mercredi 17 novembre 2010

*The committee met at 0907 in committee room 1.*2009 ANNUAL REPORT,  
AUDITOR GENERAL  
MINISTRY OF HEALTH  
AND LONG-TERM CARE

Consideration of section 3.01, assistive devices program.

**The Vice-Chair (Mr. Peter Shurman):** Good morning, everyone. The public accounts committee is meeting this morning in public session for the purpose of listening to a further deputation from the Ministry of Health on the assistive devices program, pursuant to a letter written by the Chair of this committee, Norm Sterling, on August 9. Particularly, we want to hear from the ministry on the following items: the ministry does not capture volume discounts; lack of customer service monitoring; lack of interjurisdictional price comparison; price of home oxygen concentrator provisions; lack of comprehensive wheelchair recycling; and the need for appropriate staffing levels.

Deputy Minister, would you, for the purposes of Hansard, please introduce your team and make your presentation?

**Mr. Sa d Rafi:** Thank you very much, Chair. Good morning, and thank you very much to the committee for this opportunity to address you on the 2009 Auditor General's annual report on the assistive devices program, the ADP.

To my right, I have Patricia Li, who is our assistant deputy minister of a division called direct services, which is responsible for the ADP, and to my left, I have Susan Picarello, who is our director of the assistive devices program branch.

As you all know, the auditor and this committee have made a broad range of recommendations for changes to the program. I think that since March, about eight months ago, or since our last appearance here, the ministry has achieved substantial progress in addressing those recommendations. Before I get into the specifics of our progress, if you'd allow me, I'd like to provide you with some background.

As you likely know, ADP is designed to help people with long-term physical disabilities obtain the equipment and supplies they need to live as independently as possible. Its clients are some of the most vulnerable in

Ontario. The program covers 26 types of devices, with more than 8,000 pieces of equipment and supplies. It is a complex, multi-faceted program with over 277,000 clients, about 1,400 vendors, over 6,000 health care professionals and 13 transfer payment agencies.

## 0910

In order to address the Auditor General's recommendations, as well as to enhance the transparency of the ADP policy framework, the ministry is currently engaged in an ongoing, comprehensive modernization of ADP. This involves applying strengthened controllership principles with enhanced accountability for how public funds are managed and expended. The program has been reviewing its current business processes and engaging in discussions with vendors, authorizers and the community to ensure that clients receive services in as streamlined and effective a way as possible, and that taxpayers receive value for their investment. The ministry wants to ensure that the program is responsive to the changing assistive devices marketplace.

A key element in improving claims processing is our new IT system, which is under development at this time. The current system, which originated in the 1980s, is severely outdated and not aligned with current business practices. The new system includes modern, standardized and streamlined procedures to process claims as well as vendor and client payments. It is designed to significantly reduce manual and paper processing and to drive efficiencies. Automatic approvals are expected to increase from 50% to 80%. At current levels, this represents an increase of about 88,000 claims.

The application process and forms are also being redesigned to make them more client and vendor friendly. This will facilitate access to ADP funding assistance while improving the program's ability to ensure that funding is only going to eligible individuals. In addition, the system will provide enhanced abilities to track overpayments and increase controllership capacity. So, really, a fundamental business process redesign is under way.

I'd like now to turn to the progress on the auditor's and the committee's specific recommendations.

On capturing volume discounts, the Auditor General's report asked us to do two things: update our prices more regularly and look at the factors that are included in how we set our prices. We're doing both of these.

In response to concerns about the program's funding models, including limitations on our ability to capture

volume discounts, the ministry is committed, wherever possible, to obtaining volume discounts and using a procurement model. In addition, the ministry is conducting an independent external review of how we set our prices. The external review is scheduled to be completed early in the new year.

An overarching pricing and funding restructuring review will cover all device categories, but will take a detailed look at those that represent the highest amount of program spending, which are mobility devices, respiratory devices and sensory devices such as communication, hearing and visual aids.

In other product categories, such as facial and limb prostheses, the devices or components are custom made to meet the specific needs of a small number of clients, relatively speaking; therefore, volume discounts do not really come into play.

The ministry will take advantage whenever possible of ADP's position as the largest funder, by volume, in Ontario for assistive devices. For example, the ministry is considering, expanding the use of the insulin pump model, under which we have negotiated with manufacturers directly the prices charged to the program's clients for pumps.

The pricing and funding restructuring review is also looking at the current supply chain model for ADP-funded devices in which ADP has a limited or, for the most part, no role in the purchase of devices. We are looking at how to drive efficiencies in the supply chain, though.

The funding and pricing model restructuring review will ensure that in cases where procurement opportunities arise, ADP reviews prices and discounts based on volume in order to reduce costs to the taxpayer. At the same time, the restructuring review will ensure that clients with disabilities continue to have appropriate access to the products and services they need wherever they live in the province.

The pricing restructuring must therefore also take into account the need for vendors across all regions of Ontario and ensure they are compensated fairly for their services to avoid economic consequences that might reduce access for disabled Ontarians in various parts of Ontario. It's important to note that many devices require frequent personal interaction between client and vendor. For example, vendors with the home oxygen program must visit the client's home at least once a month to replace the oxygen as well as to check for pressure issues and other related matters in the home. In the case of wheelchairs and prosthetic devices, fittings and adjustments must be made for every new device for a client.

The ministry is completing a pricing refresh in categories where prices have not kept up with market trends and where there is a need for adjustments. The ministry is planning to make changes to the computer pricing model and is exploring other changes, including in the ocular and orthotic categories.

In implementing all these changes, the ministry wants to ensure that the ADP is paying competitive prices while

remaining fair to clients and vendors, and ensuring the best value for taxpayers' money. We're still finalizing the review of other products to determine where we can realize savings, as suggested by the auditor.

In addition, you mentioned computer pricing. I'll now provide you with some context and details about the pricing of computers for communication and visual aids, since the auditor and the committee expressed particular concerns about these items.

On average, ADP spends only 1.2% of its total budget—so \$4.1 million out of \$342 million—on funding for computers that deliver assistive technologies to Ontarians. Last year, ADP funded 750 desktops and 550 laptop computers, for a total of 1,300 units. I think you'll agree that ADP funds a small portion of Ontario's market share of computing devices.

Currently, a desktop computer system, including a large monitor and printer, is funded at \$4,127, while a laptop system, including a printer, is now funded at \$4,461 under ADP's price guide. The ministry agrees with the committee and the Auditor General that this computer pricing is higher than current market prices.

As a result, we've reviewed, on a priority basis, computer prices in retail stores—among them, Best Buy and Future Shop—and have reduced the price as follows: We will have priced the maximum cost for a desktop computer, including a large monitor—so that's over 19 inches for these types of clients—and a laser printer at \$1,733, with ADP paying a maximum fixed price of \$1,300 and the client paying \$433—that's 25%—unless they are on the Ontario disability support program, in which case the full amount is paid by ADP. For a laptop with a larger screen, which is over 16 inches, plus a printer, the pricing will be \$1,824, with ADP paying a fixed price of \$1,368 and the client paying \$456. Again, for ODSP clients ADP pays the entire amount.

The prices for the specific adaptive technology required for visually impaired clients and/or clients with communication difficulties will remain the same. Examples of these types of technologies include readers, laser pointers and speech recognition software.

The changes to the computer model will result in over \$2.2 million in annual savings to ADP. This will also benefit each ADP client because their proportional share will reduce, with a savings of \$599 for a desktop computer and \$659 for a base laptop computer—a reduction from the 25%, as I mentioned.

Lack of customer service monitoring: In terms of the committee's concerns around customer service monitoring, the program does conduct biennial customer satisfaction surveys to monitor the services it provides. The last survey conducted in 2008 indicated that 87% of respondents were satisfied with the overall assistive devices program.

The ministry continues to improve on its ability to serve a growing and diverse community of clients through better and more frequent customer service monitoring.

In 2011, ADP will implement a three-pronged approach to better monitor the customer service of vendors

acting on the program's behalf. This approach will include continuing to conduct biennial surveys to maintain consistency, implementing category-specific surveys and tracking client inquiries.

**The price of home oxygen:** In response to the concerns about the cost of home oxygen concentrators, I'd like to note that the program pays for the rental of a complete oxygen system and the services required to maintain oxygen therapy in the home, such as 24/7 emergency response.

As a result of a government decision in 2008, the ADP conducted an open procurement process that resulted in a vendor of record arrangement for home oxygen services effective April 1, 2010. This VOR, or vendor of record, arrangement includes a new pricing schedule, changes to the funding model and improved mandatory services that the vendor of record must provide to ADP clients.

The new pricing schedule took into account cost drivers established by an independent study and a jurisdictional review of similar programs in Saskatchewan and Alberta.

Along with the new pricing schedule, the change in the funding model will reimburse vendors for service delivery dates only. This is a change from the previous policy whereby vendors were reimbursed for a full month of service, regardless of the actual date when home oxygen therapy was initiated.

The new VOR has resulted in a decrease in funding from \$1,342 to \$1,172 for a client on home oxygen for 90 days, and a decrease in funding from \$7,002 to \$6,847 for a client on home oxygen for 18 months. This results in an overall savings to the program of over \$2 million per year.

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The ministry conducted a second jurisdictional review recently which found that with the new pricing schedule and the changes to the funding model, Ontario's costs for a 90-day funding period are very close to Saskatchewan and Alberta's: \$1,208 in Saskatchewan, \$1,155 in Alberta and \$1,172 in Ontario.

I'd like the committee to note that as part of the mandatory service requirements, the ADP now requires the physician to perform an annual assessment of the client's ongoing need for home oxygen. During the first year, the physician must reassess the client's medical eligibility for home oxygen therapy after the first 90-day and 12-month period; 49% of clients are taken off home oxygen by their physician within the first 90 days.

You also asked about a comprehensive wheelchair recycling approach. In his report, the Auditor General encourages the ADP to initiate a recycling program for manual wheelchairs, citing programs in Alberta and Quebec that recycle and refurbish manual wheelchairs. The manual wheelchairs that the ADP funds are very complex. They are not at all like the transport-type wheelchairs one might see in an airport, for example. To illustrate, we've brought a picture, to my right, that compares the two types of wheelchairs. Of all the manual wheelchairs funded by the ADP, the most common

type—36% of the total—is that tilting wheelchair on the right. This wheelchair requires complex pressure cushions which need to be customized for each individual user. Recycling these types of cushions is difficult not only because they are custom-fitted, but also because they would require disinfecting to meet sanitary standards. Nevertheless, the ministry is committed to improving recycling and is currently negotiating with a community agency to have them conduct a manual wheelchair recycling pilot project.

I would also note that the program does recycle the most complex and costly high-technology wheelchairs under a contractual agreement with Shoppers Home Health Care, which manages a central equipment pool. As with manual wheelchairs, a significant amount of the equipment returned to the CEP, or the central equipment pool, is not suitable for recycling due to the age and occasionally due to the condition. Some equipment is so specific to an individual client that it is not appropriate for any other client.

However, ministry data on the number of recycled high-technology power wheelchairs indicates that the equipment pool has met its targeted 20% recycling rate. From March 2007 to February 2010, 586 wheelchair bases and 652 power dynamic seating systems have been returned to the CEP for recycling. Of these, 199, or 34%, of the bases, and 232, or 36%, of the dynamic seating systems have been recycled and are being used by other ADP clients.

In addition to the specific concerns of this committee that I've just addressed, let me now outline the significant progress the ministry has made in other areas raised by the auditor.

**Recovering duplicate payments:** In terms of duplicate payments, the ADP currently has an informal process with the Workplace Safety and Insurance Board—WSIB, as you know—to identify program clients who are WSIB recipients in order to recover duplicate payments. The program is finalizing a data-sharing agreement with both the WSIB and Veterans Affairs Canada to share their clients lists in order to speed up the process and enhance accuracy. Once the agreements are completed, ADP will not fund any required devices related to either that particular work injury or the veteran's pensionable condition. It is anticipated that these agreements will be in place later this year, hopefully thereby eliminating any duplicated payments.

The ADP has a letter of intent with the WSIB with the stated purpose to set forth these mutual intentions and to develop and execute a data-sharing agreement. A similar letter is being sought with Veterans Affairs Canada.

**Conflict of interest:** To increase accountability, the program is in the final stages of implementing an updated conflict of interest policy. The updated policy that vendors will be required to adhere to provides clear definitions and examples of conflict of interest, and will strengthen our business processes and compliance protocols.

Also being developed are guidelines for managing breach of authorizer agreements and vendor contracts.

These guidelines outline the steps that the ADP will take if an authorizer or vendor is found to be in breach of any ADP policy.

These policies and guidelines strengthen an enhanced claims monitoring and review protocol that will be used to detect abnormal claim patterns. ADP will conduct regularly scheduled reviews of claim patterns for all devices. These reviews will enable the ADP to identify authorizers and vendors who may be in breach of ADP policies.

In terms of accountability agreements with health care professionals, the ministry relies on the services of regulated health care professionals, called authorizers, to determine the assistive device that will best support an individual's independence. The program has been working with the eight regulatory colleges that represent authorizers. To date, six of these colleges, representing approximately 99% of authorizers, have agreed in principle to work with the program to ensure that the professionals providing services to ADP clients have the credentials and professional status to do so.

These new procedures are an important measure for protecting clients and increasing the ministry's accountability. It is also an important step forward to working with the ministry's partners, something that we continuously promote.

I'm also pleased to report that, since November 2009, the ministry has collected \$1.147 million in overpayments and \$103,000 in duplicate payments, for a total of over \$1.2 million.

Since February 2009, after identifying some irregularities, the ministry has been reviewing all claims for personal frequency-modulated hearing systems, known as FM systems. As you likely know, these devices are helpful for an individual to hear conversations in small group situations, such as meetings and classroom training. As part of this review and correspondence with vendors and authorizers, there's been a dramatic decrease of over 80% in claims for FM systems, from over 5,000 in 2008-09 to just over 1,000 in 2009-10.

With the assistance of an expert panel of health care professionals, the ministry is developing updated and more detailed eligibility criteria to assist vendors and authorizers in understanding the requirements for ADP funding of FM systems. Ontarians who require FM systems, of course, will continue to receive funding assistance through ADP.

In response to concerns regarding ministry staff's ability to detect and prevent fraudulent claims, the program has implemented two important initiatives. First, staff at the ADP have received ongoing training in the areas of risk management and risk assessment to allow the program to proactively detect and reroute fraudulent claims.

Secondly, ministry staff have been specifically assigned to examine ADP claims for patterns that might indicate fraud, or, where appropriate, forward supporting documents to the OPP for further investigation.

And finally, we are determined to improve our capacity to increase auditing and evaluation of vendors.

In conclusion, I'd like to say that this is a very significant business process redesign and IT legacy system renewal. I can tell you that my focus since arrival at the ministry in February 2010 has been to re-establish a high standard of modern controllership practices at the Ministry of Health and Long-Term Care. That focus is very much in keeping with the auditor's core business and, in particular, his recommendations and your committee's recommendations around the ADP.

I'd like to reiterate that the ministry is committed to addressing all the concerns raised by the Auditor General and this committee, and to continue working hard to ensure that this program, as all other health care programs, is accountable and provides access, quality and value for money to benefit Ontarians.

Thank you again for this opportunity to speak with you today.

**The Vice-Chair (Mr. Peter Shurman):** Thank you very much, Deputy Minister. That was a full presentation, and I feel it was a good response to the letter sent to you in August.

For the committee, what we'll do is go around in 10-minute segments to the extent that we have them and allow for questions, starting with the NDP. Madame Gélinas.

**M<sup>me</sup> France Gélinas:** Good morning and thank you for your presentation. The first question that arises is on page 18 of your presentation, where you talk about a "dramatic decrease of over 80% in claims for FM systems." Do you have a sense as to who was putting claims before who are not putting claims anymore? Eighty per cent is huge.

**Mr. Saäd Rafi:** I'll ask, alternatively, on some of the details, if you'll allow, either Patricia or Susan to help me out. Initially, I would say that I should have given the time frame as well. That's approximately over a two-year time frame but, nevertheless, a significant decrease. Perhaps, Susan, you can address that reasoning.

**Ms. Susan Picarello:** Sure. Essentially, what we found in doing the assessment was that many times the authorizers and/or the vendors were prescribing FM systems when in actual fact the client needed only a hearing aid. So what we've done is, we've actually given more education to the vendors and authorizers, and we're going to have new eligibility criteria that we've strengthened and explained to them in more detail, based on the findings of an expert panel. We've gotten health professionals together to make sure that everyone is clear, and we've come up with more detailed eligibility criteria to make sure everyone is clear on what that is.

But, essentially, the FM system is a bit better. It allows for clearer discussion in a group setting, but not everyone who needs a hearing aid needs an FM system. What we did find when we were doing the search is that many times, clients got an FM system, but because it's a bit more complex and also it's a bit different in terms of the acoustics that you hear, what happened was people were actually getting them but then keeping them in their closets or making very little use of them.

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That's why now, with the decrease, it's really that the 1,000 clients that we have now are the ones who truly need the FM systems, and that's clearer. We are going through and having discussions with the vendors about that.

**M<sup>me</sup> France Gélinas:** For this particular, is the authorizer often also the vendor?

**Ms. Susan Picarello:** In many cases in the hearing aid sector, the authorizers are employed by the vendor, the audiologists.

**M<sup>me</sup> France Gélinas:** They are. Okay.

My next question, you didn't address directly; you did when you mentioned the every-two-years survey. I still get a lot of people who complain about—and I get it from two groups. There are the people who have been recommended by a prescriber—we'll take a walker—to get a walker, and the time it takes before they have their approval, and then I get it from the vendor who talks about the time it takes to get reimbursed. Any work done in that area?

**Mr. Saïd Rafi:** I'll start by saying yes, I think the claims backlog is something that was identified and was discussed previously here, so there has been a significant increase in volume—not an excuse, but a point of fact in data: a 62% increase over eight to nine years.

To address this, we've done a few things. We've added 11 additional staff to develop a project modernization function where we're trying to deal with the claims backlog, through an IT system refresh that I mentioned, which we hope will start its first phase in mid next year. This will allow for automatic claims processing, so it will eliminate the hand-offs and paper manual assessment. That hopefully will reduce claims processing to a large extent. In addition to that, I would say that the business process redesign that Patricia and Susan are putting in place will also help dramatically.

But it does bear mentioning that we do have a six- to eight-week maximum adjudication process to payment in many of our claims categories. However, in the most high-volume categories—that's where I'm sure you're hearing from others in your communities—we are trying to address respiratory, hearing aids; to your specific point, home oxygen and mobility devices. This is part of the business process redesign activity: new staff, IT system improvement and trying to keep pace with the volume of claims, which has really gone from 180,000 to 300,000.

**M<sup>me</sup> France Gélinas:** So you are working on it. Let's talk about mobility aids, a walker more specifically, because this is the one I hear about most often. How long, right now, does it take for a claim to actually be approved?

**Mr. Saïd Rafi:** Sixteen weeks, and we have 3,200 claims in backlog, so we're trying to address those quite deliberately.

**M<sup>me</sup> France Gélinas:** What are you aiming for? Do you agree that 16 weeks is too long?

**Mr. Saïd Rafi:** Oh, absolutely. There's no question about that. That's why we've tried to address it from a staffing point of view as well as a processing point of view. For example, we're trying to apply lean processing, used very successfully in manufacturing processes, to eliminate steps that are unnecessary. Also, I think—since we have vendor representatives here—that's going to be easier from an application process for vendors.

In addition to that, instead of the incremental patch-work kind of changes that have been made over the years to the program, we're really doing this as a fundamental, ground up review, so working with vendors, working with community members and health care professionals to redesign the application process both for clients and for vendors, because the application process is not that easy for the client either, even though authorizers are providing a valued assistance to them—and also, as I mentioned, to put in a systems change. I would say to you that we will not likely see very significant reductions until that system change takes place. So we're targeting June 2011.

**M<sup>me</sup> France Gélinas:** June 2011.

**Mr. Saïd Rafi:** For the first phase of the systems implementation, yes.

**M<sup>me</sup> France Gélinas:** And then the 16-week wait for application process could be decreased to—

**Mr. Saïd Rafi:** Do you want me to commit to a—

**M<sup>me</sup> France Gélinas:** You don't have to commit, but give me an idea of what you figure would be a reasonable time from the time the person says, "Yes, you are at risk of falling. You need a walker. Go get it; the sooner the better," and this person has had a fall and is afraid of falling again. How long before?

**Ms. Patricia Li:** As the deputy said, what we have done is we put a team together to address specifically the backlog in the high-volume areas, which would include mobility devices. We have a 12-week plan, so the plan is to have all the backlog within that longer period rather than the standard completed by January 2011.

**M<sup>me</sup> France Gélinas:** That's for the backlog?

**Ms. Patricia Li:** For the backlog. As Susan mentioned, we have ongoing about 5,000 or 6,000 claims per week, so we are also putting additional staff in to address that so that we don't slip off in terms of the work in progress. That, as an established standard, is between six to eight weeks.

**M<sup>me</sup> France Gélinas:** Six to eight weeks?

**Mr. Saïd Rafi:** Sorry, could I just make one thing clear, though? In your example, I just want to clarify something. The client doesn't wait that period of time in order to get the device. The client gets the device as soon as the vendor can supply the device. If we're disadvantaging someone with a backlog, which I accept that we are, it's the vendor, not the individual who needs a mobility device, a visual aid device or a communications device. I think that's a really important distinction for the record.

**M<sup>me</sup> France Gélinas:** I would bring that a step further. Now the vendors are subsidizing so many of

those that they are at the point where some of them will face bankruptcy, some of them are not doing too good and some of them will also hold back giving the device because they can't fund them anymore because they have been waiting for eight months and haven't been paid.

**Mr. Sa d Rafi:** I would really encourage you to let us know if there are any vendors that are holding back providing devices to clients, because that's something that we will deal with immediately. That is not acceptable. If there are vendors that you are aware of who have concerns about their financial situation or are going into bankruptcy, I would encourage you to let us know about them as well. We will do our utmost to work with them and the association representatives who are here today.

**The Vice-Chair (Mr. Peter Shurman):** That's 10 minutes. Thank you very much, Madame G linas.

Liberals? Mr. Arthurs.

**Mr. Wayne Arthurs:** Deputy, thank you for your presentation this morning. It's the first time I've had the opportunity to be at this committee with folks presenting, so I appreciate this and I appreciate the presentation. It's helpful.

I've got a question around the new IT system. If I understand—and you can correct me if I'm wrong at this point—from your earlier presentation and your comments so far this morning, you're looking to mid-next year, June 2011 or thereabouts, for the implementation of the new IT system, which will ideally help with the issues of verifying claims and the like.

You speak in your presentation about how automatic approvals are expected to increase from 50% to 80%, and at current levels this represents an increase of 88,000 claims. Two things: One, how is that process intended to work, i.e. the automatic approvals? Is that automatic from the standpoint of the computer giving that approval, in effect, or is it just reducing a lot of the manual work that's done? Secondarily, will it be primarily driven by renewals as opposed to first-time-applicant approvals?

**Mr. Sa d Rafi:** For those details, I'll ask Patricia to address the questions.

**Ms. Patricia Li:** The computer system in phase 1 is going to generate a number of things, and then I'll address your specific questions. Basically, it is a 28-year-old system which needs replacing. The replacement and the setting up of the new system will integrate with Ontario public service technology standards; so that's first and foremost, particularly for privacy and security concerns.

The other thing: From a business processing side, we have internal and also external. One is, currently the system does not allow us to generate business management reports for the claims assessor or for program staff. We do need very specific programming. That is very time-consuming. This is going to generate a better reporting system for managing trends and claims management.

On the external side—which answers your question—I think it's both for first-time and renewal applications that they will be electronically processed from an approval

process. In addition to the systems redevelopment, we are introducing new business rules which are more streamlined. The forms currently are quite complicated for any individual to fill in manually. Therefore, there are many manual interventions. So the expectation of the system is to—the business side has to streamline its business process and business rules, and the system will help us to automate those processes.

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The result, obviously, is that it would increase from the current 50% automatic approval to 80%. If you look at our number of claims, which was around 290,000 last year, if you are doing 150,000 of those manually and 150,000 automatically, this will increase it by 80% of that number.

*Interjection.*

**Ms. Patricia Li:** Automatic approvals? Maybe I'll defer to Susan, who can speak to the details.

**Ms. Susan Picarello:** For automatic approvals, it will mostly be for applications that are straightforward and are renewals where people have actually gotten the devices before. For example, with the wheelchair category, we allow a renewal every five years for a new wheelchair. So if it's a recurring client and they need almost the same type of wheelchair—because of course it's just wear and tear—that will go through an automatic renewal.

There are also some categories where we get the clients in on a more frequent basis, and those would go through an automatic renewal process as well.

**Mr. Wayne Arthurs:** So presumably, if I can make a presumption, this would free up human resource capacity to be able to deal with more complex requirements or applicants and to deal with issues of first-time clients: the verification that the need is legitimate and that it's being fully addressed?

**Mr. Sa d Rafi:** Yes, and I would also add that what we have witnessed, not only due to audits and program reviews in the past, is that the technology changes are fast and dramatic. So a need for continuous improvement of the program, as opposed to waiting for events or backlogs to develop—just to build on your point, we're hoping to stay ahead of those and keep pace with those changes as well as to meet the needs of the clients in that regard. So, a long yes.

**Mr. Wayne Arthurs:** Thank you. Much appreciated.

**The Vice-Chair (Mr. Peter Shurman):** Thank you very much. I have a couple of questions—

**Mrs. Liz Sandals:** Okay.

**The Vice-Chair (Mr. Peter Shurman):** Oh, I'm sorry.

**Mrs. Liz Sandals:** Did I use up my time?

**The Vice-Chair (Mr. Peter Shurman):** You haven't used your time. Go ahead, Ms. Sandals.

**Mrs. Liz Sandals:** I wanted to talk a little bit about the oxygen program, because the committee, when we did hearings before, spent a fair bit of time on the oxygen issue.

There were a couple of concerns there: one was the whole business around whether people are being re-

viewed, and if they no longer need oxygen, is that being terminated in a timely way? I think you addressed that.

But the other discussion that I think both the auditor and the committee had was around comparative pricing. You've noted that you went out and did some more comparative pricing. I think we still get into difficulty understanding the apples-and-oranges aspect of this. What's included in Ontario's price; what's included in some other price? How do you arrive at the comparables to see how we really stand up, relative to other folks? I wonder if you could give us a little bit more information about what you did when you went out this time, in terms of looking at other provinces and how we compare.

**Mr. Saäd Rafi:** Sure. Again, I'll try to begin that response, and colleagues can step in where I falter or leave out details that are necessary.

I'd start with sort of the overall price review on the home oxygen program that we did in mid-2009. This was, I think, essentially a financial survey of vendors to collect data on the costs that they incur in order to be able to do an apples-to-apples, as you rightly point out, comparison. Some of the key findings from that review—we had a very high vendor response, a 96% vendor response, so we have some confidence in the data as a result. We got a lot of co-operation.

Forty-four per cent of the costs incurred by vendors were for staffing, including the professional and non-professional staff. That's not surprising; in many businesses, people are where our costs are, so that increased from about 10 years previous from 33% to 44%—a significant increase. I think 12% of costs incurred by vendors were related to vehicle costs and just visiting homes in order to assist clients; 14% of costs incurred by vendors were for the purchase of the modality equipment.

Based on that cost analysis, what we did was take a look at the reimbursements, and we made some slight adjustments—and by the way, there are different costs in the north versus southern Ontario, I think for geographically obvious reasons. We adjusted prices just slightly up, by \$8 in northern Ontario and \$10 thereabouts or less—\$8—in southern Ontario as well.

We also examined, then, what the prices were across other jurisdictions and what they were paying for. They have a monthly rate, a set-up fee—the actual oxygen systems—the assessment of the clients themselves, in terms of what they need exactly, and what were the funding periods, because perhaps we were looking at the wrong funding periods for the program, because of the oxygen needs. As I mentioned, 49% of people have a three-month need.

I would say that, just to give you some comparisons, where we could compare and get information across jurisdictions—I mentioned our southern Ontario monthly rate of \$397. Saskatchewan had an at-rest rate of \$459, and Alberta at \$331. The set-up fee: We don't have a set-up fee; Saskatchewan has a \$73 set-up fee; Alberta has a \$178 set-up fee.

For the oxygen itself, the systems we provide, along with Alberta and BC, are the most complete systems, as

opposed to Manitoba and Saskatchewan, which provide only the concentrators. We provide the concentrators, the liquid oxygen cylinders and the transfill systems.

I think the service components are essentially the same across all jurisdictions: set-up and delivery, home inspection, education and training, maintenance and, of course, emergency needs.

Then, assessment of clients: Actually, three jurisdictions—Manitoba, Saskatchewan and BC—didn't do the assessment, in the sense that the vendor wasn't involved; it was carried out by a hospital or what we would call an authorizer or a respiratory therapist or technologist.

**Mrs. Liz Sandals:** And that person would have been billing the OHIP equivalent for the assessment?

**Ms. Susan Picarello:** Actually, for the other jurisdictions that will do them, you actually have to go into the hospital for the day, so it would be a hospital billing.

**Mrs. Liz Sandals:** Okay, so it ends up on the hospital books?

**Ms. Susan Picarello:** Yes. So it's a much more expensive system.

**Mr. Saäd Rafi:** And then lastly, just to close it off, the funding periods varied all over the place, but we were very much in line with that—

*Interjection.*

**Mr. Saäd Rafi:** Sorry.

**The Vice-Chair (Mr. Peter Shurman):** No problem.

**Mrs. Liz Sandals:** He's telling me.

**The Vice-Chair (Mr. Peter Shurman):** I was telling her no more questions, but please complete your answer.

**Mr. Saäd Rafi:** Just to say that our timelines were the same as other jurisdictions: three months, nine months and annually; BC, three to six months and annually; Alberta, the same etc.

**The Vice-Chair (Mr. Peter Shurman):** Thank you.

Conservatives, since my colleagues just joined, I'll ask a couple of questions that are on my mind but not take the full 10 minutes.

If you were to nail this down as a process, the overview, from what I'm hearing, is the setting of criteria, data management, and control and pricing. If you have those in balance, is it fair to say that you then have a good assistive devices program?

**Mr. Saäd Rafi:** Establishing the right criteria, effective data management and the right—

**The Vice-Chair (Mr. Peter Shurman):** And pricing and control on these devices?

**Mr. Saäd Rafi:** I would say yes, and I'm presuming in data management, it's effective systems as well as processes.

**The Vice-Chair (Mr. Peter Shurman):** I'm going to go there, yes. That begs the next question. You've touched on the updating of a computer system that I believe your colleague said was—what?—28 years old originally? In the world of data processing, that might as well have come from the Stone Age. I'd like some amplification on that data management system or computer system for control of who's getting these

devices approvals and management of where they are. Where are we at now, with regard to the rebuilding of this system, and what's the ultimate hope and time frame?

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**Mr. Sa d Rafi:** From my previous visits here, I know you have a background in this, so I'm responding with some trepidation with respect to—

**The Vice-Chair (Mr. Peter Shurman):** Let's just say I fool people.

**Mr. Sa d Rafi:** —being at a disadvantage at the outset.

As you would know, and as the committee would know, the IT part of this is the enabler to execute on changes; so, garbage in, garbage out, as the adage goes. Really, what we're trying to do, where we have manual processes, is determine whether they're all necessary. There are several steps and hand-offs in any manual process, as one can imagine. That's step one. If they aren't necessary, that helps to address processing time and backlog issues.

Secondly, what's in the form itself? Are all the elements in the form necessary? The amount of manual assessment of the form also costs time because there are errors on the form—not in all cases, but on occasion. That is rework, and as we all know, in any business process, rework is time and cost. So trying to eliminate rework through an electronic assessment that would identify those types of errors and get them back to the vendor right away, instead of receive it, log it, mail it and, after having identified it and having it approved by somebody, mail it back to the vendor, and the vendor has their own processes. Obviously, the more electronic interfaces we can provide to our vendors, the lower cost they are going to have, the lower cost government is going to have and, therefore, the lower cost taxpayers are going to have. That, I hope, is some of the type of amplification you were looking for.

**The Vice-Chair (Mr. Peter Shurman):** It was, and the one piece I had asked about that I would like to get from you is: In your perfect world—we're talking about futures—when would you be able to say conclusively, "We know where every piece of equipment is, we know what the approval stage is for applications and this computer system is working as well as can be expected in a computer world of 2010/2011"? Best guess.

**Mr. Sa d Rafi:** Well, the realistic answer is probably underwhelming, in the sense that the first phase of our technology upgrades, along with our business process changes, starts to roll out January through to June. Pardon me, I misspoke: the business process backlog assessment. The backlog assessment starts to see results in January. The business process that continues to try to align with the first phase of the IT execution would be June. To know to the level of detail you have identified, Chair, I would say, would be early 2012, at a very ambitious level.

Now, increments in small and large doses are taking place throughout that time. To me, this is not necessarily

about a switch being turned on and we have everything we need, but rather month over month of heavy lifting and slogging by these people and the staff they have brought on will show demonstrable change throughout that time frame.

**The Vice-Chair (Mr. Peter Shurman):** Thank you. One other comment: It was remarkable to me to see that when you went to Best Buy and Future Shop, it looks like you were able to bring the prices down by about two thirds. While it's funny, it's not so funny, because I remember that in the original hearing somebody said, "Well, why don't you go to Future Shop?" Ultimately, you did. So I'm glad we were able to effect that.

Let me turn it over to my colleague, Mr. Ouellette.

**Mr. Jerry J. Ouellette:** First of all, I apologize for being late. I have already talked to my staff as to why it was listed at 9:30 as opposed to 9 a.m.

What I wanted to talk about was price structuring. Prior to the program coming in, the individuals I met with who are heavily dependent on assistive devices stated to me that what they saw when the program came in was that the program funding support equated to the proportional rise in the cost of units. Have there been any studies to indicate that? All they said was that instead of paying \$1,500 for a unit, when the support came in for \$500 on a unit, the price went up to \$2,000. Have we noticed any indications of this at all?

**Ms. Patricia Li:** We've undertaken, in general, a pricing review. We did undertake a pricing review on all the high-use categories, and we noticed that there need to be some adjustments, because devices differ. So, in the prosthesis category, there will be some adjustments to the price increase, because it's a small market, there are only a number of suppliers and it is a quite service-intensive category.

In more massive categories there will be some price decreases, so computer is one of them.

I don't know whether I addressed your specific question.

**Mr. Jerry J. Ouellette:** Well, it was prior to the program coming forward, the price of goods at that time. Once the program was implemented, there was a proportional raise in the cost of materials.

I've gone through your presentation and you mention about the lack of comprehensive wheelchair recycling. Specifically, on page 14 you state, "Some equipment is so specific to an individual client that it is not appropriate for any other client." That only deals with wheelchairs. What about other devices that may be utilized, specialty equipment? When I met with individuals on this topic, they were concerned that there was no ability to reuse some of the goods that were utilized for short periods of time, not specifically wheelchairs but other components as well. Has there been any look at recycling or reutilizing some of the other goods that may be available out there?

**Mr. Sa d Rafi:** Do you have any examples, by any chance?

**Mr. Jerry J. Ouellette:** Beds—

**Mr. Sa d Rafi:** Beds.

**Mr. Jerry J. Ouellette:** —and specifically the assistance to lift individuals to beds and those sort of things were the ones that they brought to my attention.

**Ms. Susan Picarello:** I'm sorry. The ADP program doesn't actually include the funding of beds or the equipment to lift people. That is really funded by the CCACs if people need that at home. The assistive devices program does not cover it.

We do the wheelchair recycling for the high-tech wheelchairs, but many of our other devices—for example, hearing aids and prostheses—can't really be recycled because they're made specifically for the person. The area where we can do the most recycling is in the wheelchair category. We do it for the high-tech wheelchairs, and we're looking for a pilot for the manual wheelchairs.

**Mr. Saäd Rafi:** One of the reasons I think we've focused on manual wheelchairs was a finding of the auditor's report as well, to say that you have an opportunity that you're not taking advantage of. There's a significant volume. For example, there are 62,000 claims for all mobility devices, but the number of manual wheelchairs is about 17,000. There's an opportunity there, so we're trying to get a vendor. Other jurisdictions we looked at that do this, Alberta being one of them, actually physically warehouse these wheelchairs and they have some success with that. That's not a model that we wanted to embrace, just because of the high upkeep costs. Quebec, it's my understanding, provides them—is it through hospitals?

**Ms. Patricia Li:** Yes.

**Ms. Susan Picarello:** That's correct.

**Mr. Saäd Rafi:** We've been talking to a group called Stride, March of Dimes, and a third—

**Ms. Susan Picarello:** Red Cross.

**Mr. Saäd Rafi:** —Red Cross, to determine whether we can engage in a pilot recycling project. The point we're trying to make is that that's not the wheelchair we're providing; that's the wheelchair we're providing. It has very specific components to it, and hopefully we can find some pieces, parts and elements of it that could be recycled.

**Mr. Jerry J. Ouellette:** So the recycling that takes place, the programs—because I know you mention Red Cross, which I've worked with in other recycling, but they've taken the goods out of country. Are they to be utilized in country once they're recycled, or out of country?

**Ms. Susan Picarello:** They will be utilized in country, and they actually do have a program at the Red Cross now that recycles walkers, standard wheelchairs—not specialized wheelchairs—and some toilet seats, that sort of thing. So they do have depots in Toronto, I believe Thunder Bay, and one other location where they actually rent to people who need it for a short term. In the assistive devices program, people are only eligible if they're going to have their disability for longer than six months. It's a long-term type of disability program, so people who have, say, hurt their hip or have hip surgery

often do go and rent the equipment or get it through the CCAC.

**Mr. Saäd Rafi:** If I might just elaborate, I would defer to the auditor, but when looking at the categories and elements, we have:

—Mobility devices: We've talked about wheelchairs and other ambulation aids;

—Prosthetics and orthotics: very difficult, very specialized, and they're not the orthotics that you and I might need, or I'd certainly need;

—The home oxygen program and the medical supplies that go with that: definitely not recyclable, although the tanks can be refilled, and they are; and

Sensory devices: communication, hearing and visual aids.

So the real opportunity, I think, lies where the auditor provided that finding and that recommendation.

1000

**Mr. Jerry J. Ouellette:** Those are all my questions for now, Chair.

**The Vice-Chair (Mr. Peter Shurman):** Thank you very much. Anything further from Madame Gélinas?

**M<sup>me</sup> France Gélinas:** Yes, actually. I will keep on on what he was saying, that if you go to Shoppers right now to buy a walker, the first thing they will ask you is if your physician or your physiotherapist has given you the little paper, and if not, then the same devices are not the same price. So if I go in and decide to buy a walker for my aunt, who I feel would be more secure and I want her to try it, I can buy a walker at a much cheaper price than if I come into the same Shoppers Drug Mart on Lasalle Boulevard in Sudbury and say, "Aunt Lou has been referred by her physiotherapist. Here's the little paper that says she needs a walker." Have you looked into this at all?

**Mr. Saäd Rafi:** I'll just start by saying that, as Susan mentioned, ADP clients are with us for typically longer periods of time. I don't think it's a surprise to think and expect that we would want our vendor to supply a new piece of equipment, because that client, regrettably, will be with that piece of equipment for a long period of time. It's their business decision as to whether they wish to supply a gently used, previously enjoyed—whatever term you want to apply—walker for a non-ADP client. That's not our requirement.

I don't know if you want to elaborate.

**Ms. Susan Picarello:** We do set maximum prices for most of our categories so that the prices cannot be exceeded by the vendor. In order to avoid marking up of the costs or the prices, we do set maximums for most of our categories, like wheelchairs and the like. We do set those maximums so that the prices can't be marked up significantly.

**M<sup>me</sup> France Gélinas:** What is the maximum for a walker?

**Mr. Saäd Rafi:** We'll have to get you that. I don't have that on my list right here.

**Ms. Susan Picarello:** We have wheelchairs but we don't have walkers.

**M<sup>me</sup> France Gélinas:** In your talks with the vendors, did you identify—and this is something that the auditor

had talked about also—how many of the vendors don't actually collect the 25% cost share from the client?

**Ms. Susan Picarello:** No, we haven't actually had that discussion. Our expectation is that they would collect the 25% from the client, because our prices, for the most part, are based—there are some categories, for example hearing aids, where we only pay a \$500 flat rate, regardless of how high the cost of the hearing aid goes. But for those categories which we split 75-25 with the client, our anticipation is that the vendors do charge the 25% to the client, unless, of course.

**Mr. Sa d Rafi:** And I would imagine that it's unrealized revenue for the vendors, so they're motivated to collect.

**M<sup>me</sup> France G linas:** Of the 62,000 mobility devices, 17,000 were wheelchairs—

**Mr. Sa d Rafi:** Manual.

**M<sup>me</sup> France G linas:**—manual wheelchairs. Can you give me the breakdown as to how you make up 62,000 mobility devices? I take it it's for this last year.

**Mr. Sa d Rafi:** Those are 2009-10 claims, yes. Again, I have the grossed number of claims against mobility devices, so we'd have to get you that in the following breakdown: manual wheelchairs, power wheelchairs and scooters, ambulation aids, and then positioning or seating devices.

Do you have that breakdown here?

**Ms. Susan Picarello:** We can get that. Basically, what happens is the wheelchairs are 17,000 and change, but each additional wheelchair requires a lot of seating, head rests, seating with cushions and that sort of thing, so that makes up a large portion of the 61,000.

I also did get the maximum price for the walkers: \$416.

Ambulation aids is actually where we put the walkers and pediatric frames. When we talk about ambulation aids, we can get that breakdown for you, but the full type is manual wheelchairs, the power scooters and wheelchairs, the power-tilt wheelchairs, then the ambulatory aids and then the seating.

**M<sup>me</sup> France G linas:** I would say that the one where the ADP becomes most visible to the people in our constituency office is at the low end, at the walker level. We have a growing older population, and more and more of them will require walkers to prevent falls and be safe. They are astute shoppers, and they like to come to their MPP. We have the perfect mix here, because they will go to the drugstore, find out how much a walker is and then go through ADP and find out how much more.

How come they are able to identify that the province is not getting value for their money, but when I talk to you, I don't get the same answer? You seem to be happy. You've put a fixed price of \$416 for a walker, and you seem happy with this, when we have people who do qualify for ADP—lots and lots of seniors who have done their shopping; they go to those places regularly, and they have seen the prices—and are astonished to find out how much the province will pay through ADP for something they are convinced they can get way cheaper.

**Ms. Patricia Li:** First of all, I just want to give you additional information on walkers. We have two types. The one that is quoted by Susan is type 3, which is \$416. There is another type that is \$306. That's the current fixed price. Based on what Susan is saying, that's the ADP pricing structure for walkers.

As illustrated by the deputy in his opening remarks, we do have to look at these categories, including walkers, and refresh the prices based on market conditions. I think the Auditor General also pointed out that we're supposed to do that every two years. I think that particular activity, which we are committed to doing in the next two months, will bring some of these prices up to the competitive pricing, shall we say. But also keep in mind that we have to balance needs in terms of regional competition. That is part of our commitment, and we are committed to doing that.

**Mr. Sa d Rafi:** So a walker is not a walker is not a walker; I think that's one thing. I think it's easy to generalize on a product.

**M<sup>me</sup> France G linas:** I'm a physiotherapist; I prescribe walkers. I know that all walkers are not created equal, and I recognize that. I'm talking more that we have an optics problem, where this mass of seniors who need this device are coming to my office and telling me that we are getting ripped off. We have an auditor who comes forward and says we are not getting value for money here, and I'm happy to see that within two months, you will have looked at those.

No disrespect: I realize that a walker is not a walker is not a walker. An arthritic who cannot use their wrist will have a completely different walker. I realize all of this. But the older person who qualifies for ADP, has done his shopping and ends up with an off-the-shelf walker from Shoppers will come to my office and say, "I could have bought this for that price, but because the government helped me, look how much the government is being taken for."

**Mr. Sa d Rafi:** Fair enough, and I'm not trying to be trite either. So, beyond the pricing review, perhaps we need to do a better job of communicating the differences among MPPs' offices so that, unlike yourself, because not everybody will have the extensive background you have, they will be able to respond to constituent needs with respect to variable pricing and variable product categories. The same could be said about going to Best Buy versus Future Shop. I can negotiate at Future Shop; I may not be able to negotiate at Best Buy. Full retail is full retail, and discount prices can be had from there.

I think we also have to set—and I think it's important to state this—vendor agreements across the province. Not every vendor has the ability a Shoppers would have in terms of reach. We also don't want to disadvantage clients who can't actually get to vendors outside their communities, and you, as MPPs, know better than anybody that they don't want to go outside those communities for that service, because there are all kinds of limitations on them.

Nevertheless, I think the important message we should leave you with is that we are proceeding to look at those

prices, product by product, and trying to review them, as recommended, to make sure we're keeping competitive.

**1010**

**The Vice-Chair (Mr. Peter Shurman):** Thank you, Deputy and Madame Gélinas.

Liberals, anything else? Mr. Arthurs.

**Mr. Wayne Arthurs:** I want to go to a section in your presentation around customer service monitoring.

To preface my query: On one side of the equation, at least in part, there's the client/customer, whether it's an ODSP client as such or someone else in an assistive devices program, where they're in a co-pay scenario, so there's a need issue and an eligibility issue, and authorization, verification, approval, payment and a follow-up—all those kinds of queries we have a particular interest in. But maybe as much, on the other side of the equation, is customer service monitoring and the satisfaction level of the actual client and customer.

In your presentation, you made reference to the 2008 survey—some 87% of respondents indicating overall satisfaction—and you referenced the intentions in 2011. I presume it's the next biennial, although it obviously takes time to get the data, verify it and tabulate it. So, at some point, probably in early 2011, you'll be looking at your survey process and looking at two or three different things you want to achieve in that: the continuation of it, implementing category-specific surveys and tracking client inquiries as an approach to better customer service.

I think it's important that we keep our eye, as well, on how satisfied the customer is with the service they're getting, as well as doing our job to query about verification, authorization and any overpayments, which are important, but the client also is a very important part of the picture.

Can you talk to me a little more thoroughly about the customer service part of it, as you move into 2011 and beyond?

**Mr. Saäd Rafi:** Sure. If you'll allow, I think it might be helpful to talk about what 87% overall satisfaction means, which I took to be part of your question.

**Mr. Wayne Arthurs:** That would be helpful as well.

**Mr. Saäd Rafi:** Eleven hundred surveys were mailed out. As a survey methodology, some might suggest that that doesn't get an effective response rate, and that's certainly a challenge, but we had a 30% response rate. For mail surveys, that's quite high. We're quite pleased with that, to start with.

Another data point that relates to the survey return would also be that 92% of the respondents indicated that they actually got what they needed from the program—important, because that would be a problematic to start with—and 96% reported that they were actually using the device or medical supply. That's consistent, survey over survey.

We had, I think, four categories or key elements.

Our service delivery process—how services are provided by either ADP or one of our partners—actually received the highest overall satisfaction, at 85%.

Communications about the program and devices or medical supplies received the second-highest satisfaction, at 84%.

Some other specific areas, as I mentioned: "Are you receiving the device or medical supplies recommended?" Yes, 87%.

"Did you get what you needed?" Yes.

Having questions answered: 87% satisfaction.

"Was there use of clear written and verbal language in the material?"—86% satisfaction.

Service staff being knowledgeable and competent: 84% satisfaction with that. That's very important to us, of course to our partners—vendors and those authorized, deliver the program.

Where we need to improve, as I think Ms. Gélinas pointed out, is that people don't like how much they have to pay. There was only 56% satisfaction with the contribution component. I would venture to guess that that might be true for many things we have to pay for. What we funded, I guess, is the corollary to that: 59% satisfaction.

Getting through to an agent without difficulty: 74%. Actually, for the person they dealt with most going the extra mile, there was 77% satisfaction.

I think that with each subsequent survey we need to get a little bit more sophisticated about what our clients need and who our clients are. All clients are more sophisticated in their use of technology; this is not an age-dependent issue at all. In fact, if there was a skew it would be the other way. We want to think about how we actually engage in surveying as well as the instrument; in other words, the types of questions. So to, I believe, your earlier question, Mr. Arthurs, it is part of our continuous improvement, to write the program in terms of its business process so that we can continuously improve as opposed to waiting for an event like a biennial survey.

**Mr. Wayne Arthurs:** If I could go to your lowest satisfaction number, 56% or thereabouts, I would respectfully suggest and validate or add to it that it is probably driven by two or three things. One would be the sense of some clients or customers that they shouldn't have to pay at all; the provincial program should pick up the full cost. Two, inability to pay: There may be those who are not ODSP clients but may not have the full ability to pay. Maybe thirdly, the point that Ms. Gélinas was raising: They see in the marketplace what they think is a better price point. I would suggest that those are three things that might drive that number to the level it's at. Would that be something you might agree with, and/or do you have some further comments on things that would drive that number at the lower rate, which is close to one out of two?

**Mr. Saäd Rafi:** Well, I could only say anecdotally, because we haven't assessed that nor do we have a statistically significant set of data. Certainly, we do know anecdotally and we're hearing that people—I don't dispute that at all, because I myself do it; I think we all comparison shop. But I might venture to guess that there's probably a higher propensity for people to feel they shouldn't have to make a contribution. I say that

because in other ministries I've worked in where there are copayments of various types, I think that people generally feel there's a correlation between their contribution to society and what their government or the state should provide to them. I want to be very careful about making gross generalizations about people, but I'm just giving you what I would surmise anecdotally.

**The Chair (Mr. Peter Shurman):** Thank you very much, Mr. Arthurs. We've exhausted the time for questions. I'd like to thank you, Deputy, for coming here this morning with your staff. The committee will now go into closed session for about 10 minutes to consider its next moves.

*The committee continued in closed session at 1017.*



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(Hansard)**

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Mercredi 8 décembre 2010

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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTS

Wednesday 8 December 2010

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
COMPTE PUBLICS

Mercredi 8 décembre 2010

*The committee met at 0905 in committee room 1.*

## COMMITTEE BUSINESS

**The Chair (Mr. Norman W. Sterling):** Okay, let's begin the meeting. The meeting today is going to be comprised of two parts: The first part will be a motion, and I think everybody has received a copy of that motion; the second part is, we will be briefed in camera—

**Mr. David Zimmer:** Just a second, Chair. We've raised a dollar for you. I won't tell you which one, but one of the five wouldn't chip in. There's a buck, anyway.

**The Chair (Mr. Norman W. Sterling):** I'd like to thank all of the other members of the Liberal caucus for their kindness.

**M<sup>me</sup> France Gélinas:** A coffee would have been better.

**Mrs. Liz Sandals:** Well, now he can buy one, almost.

**The Chair (Mr. Norman W. Sterling):** Thank you very much.

So the first part of the meeting will be a notice of motion on the Niagara Parks Commission. The second part of the meeting, as I was saying before, will be an in-camera briefing by the Auditor General on his most recent, 2010, annual report.

I'm going to turn this over to Ms. Gélinas, who will be the proponent of this motion.

**M<sup>me</sup> France Gélinas:** Here I go. Do I read it into the record first?

**The Chair (Mr. Norman W. Sterling):** Yes, you do.

**M<sup>me</sup> France Gélinas:** I move that the Standing Committee on Public Accounts immediately request that the Auditor General conduct a special audit on the Niagara Parks Commission and that the report on this special audit be released before the end of June, 2011.

Basically, the Niagara Parks Commission has an incredibly important mandate. They're there to preserve and enhance the area surrounding Niagara Falls, which truly is one of the cornerstones of Ontario's tourism sector. Isn't it one of the seven wonders of the world also? It has a role to play in preserving our environment and creating jobs and economic opportunity.

Unfortunately, we have been made aware of a number of events that have shaken the public confidence in the Niagara Parks Commission. We're talking about questions around the tendering of the Maid of the Mist contract; we're talking about an untendered half-a-million-

dollar Niagara Parks Commission contract to a magazine publisher; we're talking about \$400,000 in questionable expenses by one of Niagara Parks Commission's executives on travel and hospitality that did pass their internal audits; we're talking about two MPPs, including the present Minister of Tourism, who were allegedly informed about complaints of financial impropriety between 2005 and 2007; we're talking about alleged forgery involving Niagara Parks Commission employees; and we're talking about a former general manager of the Niagara Parks Commission calling an internal government audit "unacceptable" and a "conflict of interest."

Given the effect that this has had on the confidence of the people of Ontario, we feel that it is in the best interests of the people of this province to shed a light on what happens. There are conflicting reports out there because basically nobody knows where the truth lies, but there are enough questions that people deserve answered.

We've heard that the government has asked for an internal audit, and I suppose this is a small step, but it won't bring people's confidence back. I'd like to quote from the new chairperson of the Niagara Parks Commission, Fay Booker, who said, "If it helps clear up any controversy in the past, there's merit to that.... I would not be standing up saying he does not need to come in." The new board and chairperson of the Niagara Parks Commission welcome the Auditor General. They also need an opportunity to tell their side of the story and to tell it in a credible way. It's basically an opportunity for all to clear the air.

The internal audit that is done for the Ministry of Tourism is not something that is public and it's not something that has the confidence of the public that it is done for them, because of some of the allegations that are already there. When you have a chairperson who says that the internal government audit is unacceptable and that it is a conflict of interest, they themselves are mixed up in that story. We need an independent third party who basically everybody trusts to shed a light. It will allow the parks commission to demystify—some of what's out there may not be true—and certainly shed a light as to what happened so that if there was wrongdoing, it never happens again. I believe only a third party such as our Auditor General has the power to do this.

**The Chair (Mr. Norman W. Sterling):** Ms. Gélinas, I don't think there's any question that the auditor has jurisdiction in this area, but I had asked him about the

motion and the repercussions of the motion you have written, and it's in a very general way. I'm going to ask the Auditor General just to comment. You may want to narrow the focus of the motion.

**Mr. Jim McCarter:** My only comment, Ms. Gélinas, was—"conduct a special audit on the Niagara Parks Commission." My interpretation of that would be that you'd want a special audit on all the operations of the Niagara Parks Commission—their golf courses, their security, the round table restaurants.

0910

My sense, just from your comments and the letter that I got from the leader of your party, is that the focus seemed to be on the areas of what I would call procurement, on travel and hospitality expenses and any other areas at the discretion of the Auditor General. That would make it more of a narrow focus. Certainly, we'll do anything, if the motion is passed, that the committee requests, but it would enable us to complete the work more quickly if there was a narrower focus to the audit as opposed to doing a special audit on all of the operations of the Niagara Parks Commission.

**M<sup>me</sup> France Gélinas:** I really appreciate your clarification, and you are right: We are specifically looking at procurement. The stories I have read, the examples I have read, certainly speak in that way. How do I go about targeting my motion to that? Can I change it now?

**The Chair (Mr. Norman W. Sterling):** Would there be any objection to Ms. Gélinas withdrawing that motion and putting forward a more targeted motion? No objection seen.

What would your suggestion be, Jim?

**Mr. Jim McCarter:** Just something along the lines of, "The Auditor General conduct a special audit on the Niagara Parks Commission, focusing on procurement, travel and hospitality expenses and on any other areas at the discretion of the Auditor General. The committee requests that the report on this special audit be released by June 30, 2011." Something along those lines, Ms. Gélinas.

**M<sup>me</sup> France Gélinas:** Absolutely. This is what I had in mind, and I'm sorry I didn't do this ahead of time.

**The Chair (Mr. Norman W. Sterling):** That's fine, it's understandable. Would you like to move the motion that was read by Mr. McCarter?

**M<sup>me</sup> France Gélinas:** Absolutely. I don't have to re-read it?

**The Chair (Mr. Norman W. Sterling):** No, that's fine.

**M<sup>me</sup> France Gélinas:** Okay.

**The Chair (Mr. Norman W. Sterling):** Mr. Arnott, you wanted to speak on this motion?

**Mr. Ted Arnott:** Yes, thank you very much, Mr. Chair. I thank the committee members for giving me the opportunity to speak. I'm subbed in for half an hour until Mr. Ouellette arrives.

I wanted to indicate my support for this motion. Ms. Gélinas said—I wrote down what she said—there needs to be an independent third party whom everyone trusts,

that being the Auditor General. I think this is an issue that cries out for that kind of study, review and report back to the House.

We've raised many issues surrounding the operations of the Niagara Parks Commission in the Legislature in recent days: the untendered contracts, the issue of expense claims, the massive personnel changes with very little explanation. It's no wonder there's a cloud of uncertainty surrounding the Niagara Parks Commission at present. These issues need to be responded to in an appropriate way, on that basis.

Even though our party would suggest that there is enough evidence to demonstrate the problems that exist at the Niagara Parks Commission, based on what has been reported in the local press in the Niagara Falls area as well as what we have raised in the Legislature, we would still agree that this motion should be passed by this committee so as to authorize the Auditor General to undertake the work that's necessary.

**The Chair (Mr. Norman W. Sterling):** Ms. Sandals?

**Mrs. Liz Sandals:** In fact, as everyone knows, there has already been a fair bit of work done here in terms of putting in place an interim board, because clearly there have been some concerns about the Niagara Parks Commission. In fact, because there has been concern about the Niagara Parks Commission, KPMG has already been in there and conducted a governance review; the Ontario Integrity Commissioner, who I'm surprised the opposition doesn't trust, has already been in and made several recommendations.

I would like to note that it is not NPC's internal auditor, it is the province of Ontario's internal audit division, which I'm also surprised the opposition doesn't trust, which is going in and actually doing an internal audit on exactly the topics that are now in the motion, which are expenses and procurement. So not NPC's local internal auditor; Ontario's internal auditor is going in to do an audit on expenses and procurement.

In addition to that, there will be a third party forensic audit for which the files are already being secured, and that will begin in the new year. But just to assure everybody, the files are being appropriately secured—and that will be a third party forensic auditor, to make sure that we have somebody who is highly skilled in forensic auditing.

With respect, I think if the Auditor General were to go in now, he would have trouble finding office space. He would be tripping over all the other auditors who are wandering around.

I would like to note that since the new Chair has been put in place—yes, there have been issues in the past, but the commission has already taken a number of significant steps to help address the issues that were raised in some of those previous audits, first and foremost being changing the corporate culture at the Niagara Parks Commission, which clearly needs changing; changing the way the board reviews and approves expenses; restructuring the operations of the commission to assure greater accountability and transparency; moving forward on the implementation of the governance review.

They have gone through a competitive procurement process to hire a permanent full-time internal auditor, but as I say, that's not the person who's doing the current audit. It's the provincial internal audit division. They've got a new code of conduct. They are in the process of finalizing new procurement policies which are in line with the provincial policies.

One of the things the auditor often talks about is "no plan," and they're working on a strategic plan.

So there is significant work that has already been done in response to the problems that have been previously identified. We don't believe that adding one more layer of auditors running around to the auditors who are already running around is a good use of public resources at this time.

**The Chair (Mr. Norman W. Sterling):** You have a response?

**Mr. Peter Shurman:** I'd just like to add something to the record. You may or may not be aware that Minister Chan stood in the House, probably five to 10 minutes ago, on a point of order to correct the record on several of the answers that he provided to our questions over the course of the past week, an example being the one I asked on competitive bids, where he told me categorically in his response that the boat tour contract was competitively bid. He has now corrected the record, which he should have, because we knew it was not competitively bid.

I appreciate the fact that the minister has corrected the record, and I appreciate the fact that there have been articles in the media quoting Fay Booker as being out of sync with the minister until he did do that correction. But the point is that the waters have been muddied, even as late as this morning, by the question of who knows what about what at the Niagara Parks Commission.

I think you have to agree, notwithstanding the fact that I accept at face value your statements that some work has been started, that it would be a good idea to go at arm's-length, take a step back—we have an Auditor General; that's why he's here—and say, "Go and get us the goods on procurement"—particularly procurement—"travel, meals, expenses, hospitality, and let's nail this thing once and for all." That's where the opposition stands.

**The Chair (Mr. Norman W. Sterling):** Your response, Ms. Gélinas?

**Mme France Gélinas:** The long list of actions that have been triggered by those events speak for themselves. You don't call in the province of Ontario's internal auditor, KPMG, the Integrity Commissioner and a third party forensic audit when there's no smoke.

It is obvious that things were wrong. I have no problem with trying to call in the troops to shed a light on this, to do some work internally, but none of those people will shed a light for the public. None of those people carries the authority of our Auditor General to report back to the Legislature and let the people of Ontario know that what was wrong has been corrected by the recommendation of KPMG, the Integrity Commissioner and the Auditor General, the province of Ontario's auditor,

and the third party forensic, and it goes on and on, and let them know that it is now okay. All of those people report back internally, are given a mandate internally.

**0920**

You have to realize that people's confidence has been shaken up. We don't trust the decision-makers that were there before, and now you're telling us that the decision-makers have ordered a whole bunch of very important people to do a whole bunch of important work to make things better—because you admit that things were wrong by calling in that many people to help make things better—but it will continue to be an inside job. They will continue to report back to the government only, which will put out what they see fit to put out.

When a third party such as the Auditor General goes in and speaks, he speaks to the Legislative Assembly, he speaks to the people of Ontario, and he speaks to us directly. All of those good people that have come in talk to the government. The problem is that the government is mixed in with this lack of trust in the Niagara Parks Commission.

So here we are. We are witness to the fact that you agree that there was something drastically wrong, because a whole bunch of government resources are now being poured into this little agency to try to correct things. You tell the people, you validate to the people of Ontario that we are right: there's something wrong there. But you say that it's okay to continue to do it internally, which is where you fall flat.

The people of Ontario don't want this to be an internal job. They want an independent third party to report directly to them. This is the only way you build trust back. To say that we will spend a fortune on changing things does not build trust. This is what we need, and this is what the chairperson of the parks commission is asking for. She wants an opportunity to shed a light, to turn the page.

I'm not against all the good work of those people—KPMG, the Integrity Commissioner, internal auditors, the third party forensic. I'm not against this; this is probably work that needs to be done. But we also need the piece that brings transparency. We need the piece that brings accountability back to the people. Only the Auditor General has the trust of the people and the knowledge and skills to look at this and report back to us and say, "Here's what it was. Here's what they're doing well now. Let's turn the page." This is what we're asking for so that the people of Ontario can have trust in their government and have trust in this important agency.

**The Chair (Mr. Norman W. Sterling):** Okay. Shall I put the question?

**Mrs. Liz Sandals:** Yes.

**Mr. Ted Arnott:** A recorded vote, please.

**Ayes**

Arnott, Gélinas, Shurman.

**Nays**

Arthurs, Carroll, Ramsay, Sandals, Zimmer.

**The Chair (Mr. Norman W. Sterling):** The motion is lost. I will—

*Interjection.*

**The Chair (Mr. Norman W. Sterling):** Is this on the—

**M<sup>me</sup> France Gélinas:** No, let's finish about the motion, and then I'm going to ask something.

**The Chair (Mr. Norman W. Sterling):** This has nothing to do with the briefing?

**M<sup>me</sup> France Gélinas:** No, it has to do with Niagara parks.

**The Chair (Mr. Norman W. Sterling):** Okay, go ahead.

**M<sup>me</sup> France Gélinas:** So you have told us that KPMG did a governmental review, that the Integrity Commissioner is going in, and that the internal auditor of the province of Ontario is going in, and a third party forensic audit. Can I have the intention of the government toward making those documents public in their entirety?

**Mrs. Liz Sandals:** I have no authority to make any commitments. You'll have to deal with the ministry on that.

**M<sup>me</sup> France Gélinas:** Which ministry would that be?

**Ms. M. Aileen Carroll:** Tourism.

**M<sup>me</sup> France Gélinas:** Okay. Would you—

**The Chair (Mr. Norman W. Sterling):** I'm sorry, I was distracted. What were you asking?

**Mrs. Liz Sandals:** She's asking for all the documents that have been referenced, and I said that I had no authority to make that commitment.

**M<sup>me</sup> France Gélinas:** Do they have the authority to ask their colleague to make those documents public?

**Mrs. Liz Sandals:** Excuse me, this is getting way outside the mandate of public accounts. Clearly, committee members do not have the authority to demand documents individually from anyone.

**The Chair (Mr. Norman W. Sterling):** Let me just confer with the clerk on this.

I think we would have to do that with the backing of the entire committee—to ask for that or to have the ministry appear here. It would be unusual for us to ask the minister to come in terms of this. Without a pre-report by the auditor, it would be an unusual step for us to take.

**M<sup>me</sup> France Gélinas:** Can I have unanimous consent from the committee to take the unusual step of asking the Minister of Tourism to table with this committee the governance review done by KPMG, the report done by the Integrity Commissioner, the report done by the internal auditors of the province of Ontario and the report done by the forensic auditors?

**The Chair (Mr. Norman W. Sterling):** If this carried, it would be in the form of a letter from me to the ministry to ask for that.

**Mrs. Liz Sandals:** With respect, we have no notice of motion for this discussion.

**The Chair (Mr. Norman W. Sterling):** I think she was asking for unanimous consent.

**Mrs. Liz Sandals:** No, we don't have notice of motion.

**The Chair (Mr. Norman W. Sterling):** Notwithstanding that there hasn't been a notice of motion, Ms.

Gélinas is within her rights to move a motion at this time. People can make their argument with regard to whether they want to support that motion or not.

**M<sup>me</sup> France Gélinas:** I don't need to give notice of motion to bring a motion forward in this committee.

**The Chair (Mr. Norman W. Sterling):** It's the usual practice, but as a member you have the right to move the motion.

**M<sup>me</sup> France Gélinas:** Thank you.

**The Chair (Mr. Norman W. Sterling):** So, do you want to move the motion?

**M<sup>me</sup> France Gélinas:** I so move.

**The Chair (Mr. Norman W. Sterling):** We need you to move it as a motion.

**M<sup>me</sup> France Gélinas:** Okay. Mr. Chair, I move that you write a letter to the Minister of Tourism asking him to table with this committee the governance review report done by KPMG, the Integrity Commissioner's report, the internal auditors from the province of Ontario's report, as well as the third party forensic auditors' report done for the Niagara Parks Commission.

**The Chair (Mr. Norman W. Sterling):** So that's a motion which would have me requesting that information. This would in no way compel the minister to respond or to give that. I cannot force him in that letter; it's a request for that information. That's the nature of the motion. Okay?

**M<sup>me</sup> France Gélinas:** Thank you.

**The Chair (Mr. Norman W. Sterling):** Any discussion? Ms. Sandals.

**Mrs. Liz Sandals:** The mandate of this committee, as set out in the standing orders, has traditionally been to deal with reports by the auditor, be they his annual report, which we are supposed to be reviewing, or special audits of one sort or another. This is sort of expanding the mandate of the committee without any thought, just in a very ad hoc sort of way. I don't believe that we should be doing that absent a significant discussion, both amongst ourselves and with respect to the Legislature, which has provided us with our mandate. So we are opposed to making up new mandates for the committee.

**The Chair (Mr. Norman W. Sterling):** Mr. Shurman.

**Mr. Peter Shurman:** I don't think that, with respect, Ms. Sandals, this is a question of creating new mandates for the committee. What the motion seems to propose to me is to give access to this committee to look at public information on behalf of the public. The public, after all, paid for that information and owns that information, and it clarifies a number of questions that have been in the public domain for the course of the past week. The government has no reason to deny that.

Effectively, she's handing you a hammer and you're banging another nail in. I don't understand the reason why we wouldn't just want to write a letter, which is, as has been explained by the Chair, all that this amounts to, to the minister, saying, "Make it public," and why you wouldn't support that. He has the right to say no.

It's pretty simple, so we certainly will vote for it.

**The Chair (Mr. Norman W. Sterling):** Any further discussion? Okay, a recorded vote?

**M<sup>me</sup> France Gélinas:** Please.

Ayes

Gélinas, Ouellette, Shurman.

Nays

Arthurs, Carroll, Ramsay, Sandals, Zimmer.

**The Chair (Mr. Norman W. Sterling):** Motion defeated.

Now I think we will go into closed session to be briefed by the Auditor General on his most recent report.

*The committee continued in closed session at 0934.*

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## Legislative Assembly of Ontario

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Deuxième session, 39<sup>e</sup> législature

# Official Report of Debates (Hansard)

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# Journal des débats (Hansard)

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## Comité permanent des comptes publics

Rapport annuel 2010,  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTS

Wednesday 23 February 2011

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
COMPTE PUBLICS

Mercredi 23 février 2011

*The committee met at 1234 in committee room 1, following a closed session.*

2010 ANNUAL REPORT,  
AUDITOR GENERAL

## MINISTRY OF THE ENVIRONMENT

Consideration of section 3.09, non-hazardous waste disposal and diversion.

**The Chair (Mr. Norman W. Sterling):** We'll bring the meeting to order. My name is Norm Sterling, Chair of the public accounts committee, and today we're going to consider section 3.09 of the Auditor General's report of December of last year on non-hazardous waste disposal and diversion.

Today we have with us several people from the Ministry of the Environment and some people from Waste Diversion Ontario. I'm going to turn it over to Ms. Gail Beggs, the deputy minister, to introduce those people who are sitting at the table with her as well as invite her to make some opening comments.

*Failure of sound system.*

**The Chair (Mr. Norman W. Sterling):** We're going to have to recess for a little while.

*The committee recessed from 1240 to 1251.*

**The Chair (Mr. Norman W. Sterling):** Let's call the meeting to order. I believe that the previous introduction that I made was captured by Hansard, as my microphone was working. I'll now call on the Deputy Minister of the Ministry of the Environment, Ms. Gail Beggs, to make opening remarks before we go to questioning.

**Ms. Gail Beggs:** Thank you, Chair, and thank you, members of the public accounts standing committee. I'm pleased to be here today to speak to the standing committee. I want to thank the Auditor General for all of his recommendations. We take his comments seriously and see this as a valuable process to help us improve and enhance waste management in Ontario.

With me here today are members of the ministry's senior team. At the table with me is Kevin French. Kevin is the assistant deputy minister responsible for operations. On my right-hand side is Mr. John Lieou. John is the assistant deputy minister responsible for the integrated environmental policy division. I also have with me in the audience a number of members of the senior team. On my far left is Debra Sikora—

*Failure of sound system.*

**The Chair (Mr. Norman W. Sterling):** It seems that they just want me to speak all the time.

*Failure of sound system.*

**The Chair (Mr. Norman W. Sterling):** Let's proceed.

**Ms. Gail Beggs:** With me on my far left is Ms. Debra Sikora. Debra is the CAO for the Ministry of the Environment. Next to Deb is Mr. Greg Sones, the regional director in central region. Central region provides operational advice to all of operations on waste issues. Beside Mr. Sones is Mr. John Vidan. He's the director of the waste policy branch.

I would also like to introduce the committee to Ms. Cliodhna McMullin. Cliodhna, if you'd just stick up your hand. Cliodhna is the chairperson of the board of directors for Waste Diversion Ontario. Seated right beside Cliodhna, on her left, is Mr. David Merriman. David is the interim executive director of Waste Diversion Ontario. I'd like to thank them for joining us today.

In Ontario, we recognize that reducing waste and diverting as much of it as possible from landfill is critical to both our environment and our quality of life. The three Rs are the focus of our efforts. The better we are at the fundamentals, the more we reduce, reuse and recycle, the better we become at protecting our resources and building a stronger and more sustainable society for the future.

Diversion and recycling allow us to recognize the inherent value of waste as a resource, where second- and third-generation products become the raw materials for new ones. Recycling also helps us to reduce the amount of energy we need to extract raw materials, and in processing those materials, it also reduces greenhouse gas emissions from landfills.

Ontarians currently generate about 12 million tonnes of waste every year. We are diverting nearly three million tonnes of that waste from landfills annually. In 2007, Ontario's existing waste diversion programs resulted in 2.2 million tonnes of avoided greenhouse gas emissions, and we estimate environmental benefits totalling \$971 million.

Along with these environmental benefits, there are also strong economic reasons to support waste diversion as an essential factor in developing a clean and modern economy. We estimate that diversion creates seven jobs for every 1,000 tonnes of waste recycled. It encourages new business growth and innovation and helps us transform Ontario into a more sustainable economy, based on green technologies.

In the Ministry of the Environment, our priority is to divert as much waste as possible from landfill. Our ministry's role is to implement the policies, programs, legislation and regulations that the government puts in place to support waste management. Ontario's waste policy involves a mix of both regulatory and non-regulatory tools that need to be continuously examined for effectiveness. The Ministry of the Environment can't do this work alone. Our ministry relies on many partners and shares the responsibility for waste management with Ontario's municipalities, with industry, with producers, businesses—both large and small—the waste management sector, non-government organizations such as the Recycling Council of Ontario, and, of course, individual Ontarians.

To increase diversion rates across the board requires collaboration and shared commitment. Awareness around the importance of dealing with waste is growing, in the recognition that each of us has a responsibility to reduce our waste and make good environmental choices in what we buy, what we use and how we live. Businesses are now looking much more closely at waste reduction as part of their balance sheet.

At the same time, the challenges of dealing with waste are becoming more complex in a global economy. This is no longer a question of dealing with cardboard, glass jars and tin cans. There are many, many more products and packages in the marketplace that contain mixes of plastics, composites and hazardous materials.

In our culture and society, throwaway single-use packages are ubiquitous, and the need to provide convenient methods of collection adds to the challenge of waste management. This is just not a challenge for us here in Ontario; it's a challenge for other jurisdictions. It's a challenge that needs to be tackled in partnership with other jurisdictions at every level of government. One third of the waste being sent to landfills is made up of packaging, and everyone has heard the frustration of consumers who are trying to deal with these materials.

It's encouraging for me to note that the Canadian Council of Ministers of the Environment has agreed to a national sustainable packaging strategy. The Ministry of the Environment in Ontario championed the development of this Canada-wide strategy with the goal of encouraging more sustainable packaging choices for producers and for consumers.

Successful outreach activities are also a factor in success. We're working with partners such as the Recycling Council of Ontario in an expanded diversion program for fluorescent lights called Take Back the Light. The Ministry of the Environment funded the initial pilot study and the program development for Take Back the Light, and Take Back the Light recently exceeded its first milestone—the capture and safe recycling of two million lamps, almost a year ahead of schedule. Two million lamps represent 60 kilograms or 130 pounds of mercury captured and diverted from landfill.

The Ministry of the Environment has also worked in partnership with the Ministry of Finance and the LCBO on a program called Bag It Back, where consumers can

return beverage containers to The Beer Store, allowing more material to be collected in blue boxes. This program also recently celebrated a milestone with the billionth beverage container returned for refund, representing 370,000 tonnes of glass diverted from landfill.

The most recent data from Waste Diversion Ontario shows continued improvement in Ontario's overall waste diversion rate. The residential diversion rate increased from 38% in 2006 to 44% in 2009. About five million households in Ontario have access to blue box recycling, and more than 870,000 tonnes of waste are diverted annually.

We've seen steady progress with the blue box program as diversion rates have been increasing year over year since the first city-wide program began in 1983. This clearly demonstrates how waste diversion programs can make a significant impact.

The Ministry of the Environment has made improvements to the regulatory framework to make it easier to recycle wastes. These revisions include exempting certain recyclable materials from waste approvals; streamlining the approvals process for waste-to-energy pilot and demonstration projects; exempting from approvals the use of certain waste biomass to make ethanol and biodiesel for use as a renewable fuel alternative to fossil fuels; and exempting from approvals the use of wood waste as fuel.

The ministry is cognizant of the current economic conditions both in Ontario and worldwide, and reflects the new focus on recycling as the driver of the new green economy. Many companies worldwide are looking at waste diversion as part of their corporate sustainability objectives and are viewing waste diversion and recycling as ways to reduce costs.

In 2008, the ministry began a review of the Waste Diversion Act, which was introduced in 2002. This provided the ministry with an opportunity to examine Ontario's waste diversion framework to see whether changes to the Waste Diversion Act could improve waste diversion in both the residential and non-residential sectors.

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As part of the review, the ministry held a series of public consultations and released a discussion paper outlining our review and approach to improving waste diversion. The review and public consultations have been extensive, and the ministry received significant feedback and advice on how to improve the waste diversion framework.

The ministry also conducted a special review of one waste diversion program, the municipal hazardous and special waste program. Action is being taken in response to what we heard from both the Waste Diversion Act review but particularly in response to the views of consumers about the municipal hazardous and special waste program.

Specifically, the ministry has asked for changes in governance under the Waste Diversion Act. For example, we've asked that industry funding organizations that are

set up under Waste Diversion Act auspices include a consumer perspective in their programs and policies. We've also asked that Waste Diversion Ontario refocus its board to make sure that members reflect the skills necessary to govern waste diversion programs and to avoid potential conflicts of interest.

The ministry has also asked Waste Diversion Ontario to take steps to audit waste diversion programs to verify performance. The ministry established and deployed a special team to look into incorrect or misleading fees that retailers may charge and attribute to waste diversion programs. The ministry reviews and, as appropriate, looks into consumer concerns reported to the consumer protection hotline that is run by the Ministry of Consumer and Business Services.

One area where it's clear there is an opportunity to significantly increase diversion is organics, which represent one third of the waste stream. We have seen significant progress in organics diversion in Ontario over the past several years. Many municipalities have successfully implemented green bin and other organic waste diversion programs. Approximately 2.2 million households in Ontario now have access to curbside collection programs through green bins or other collection methods. According to Waste Diversion Ontario, organics diversion has increased by 35% from 2006 to 2009, and municipalities continue to expand their organics diversion efforts.

There are challenges to increasing the diversion of organic waste. Capacity at composting facilities has been a significant barrier. There are 45 municipal and private composting facilities in Ontario. We need to increase that number to boost waste diversion rates.

As a result, the ministry has been consulting with municipalities and businesses and other stakeholders on finding workable solutions to help increase the diversion of organics. We have received industry support for our approach, and the Environmental Commissioner of Ontario has hailed it as a good first step.

The ministry is now considering enhancements to a proposed new compost framework that includes new compost quality standards that would support investment in composting infrastructure and increased organics diversion.

While residential waste diversion has been steadily increasing, similar progress has not been made in the industrial, commercial and institutional sector. Data from 2008 indicate that the diversion rate of all non-residential waste, including waste from institutions, commercial and industrial establishments and the construction and demolition sector, is around 13%. I think the most recent stats have it at 12.7%.

The Ministry of the Environment has approached compliance with the ICI sector with a variety of tools, including traditional enforcement measures; outreach activities, such as education; as well as encouraging businesses to undertake company-wide rather than facility-by-facility approaches to waste diversion.

The ministry has a team of environmental officers who are dedicated to increasing compliance with the indus-

trial, commercial and institutional recycling regulations. These officers are working closely with businesses, schools, hospitals and other institutions to increase waste diversion. A comprehensive tool kit has been developed for the construction and demolition sector, and the ministry is now expanding that tool kit for use by other sectors, such as schools and hospitals.

We're seeing progress and good examples of corporate leadership in Ontario. For example, the Woodbine Entertainment Group has indicated it has achieved a 93% diversion rate. It's expanding its organics and source separation programs under an environmental management program that it has deemed on track to zero waste to landfill.

Honda Canada's Alliston plant is undertaking many activities related to the three Rs and is working to achieve 100% recycling. That would make the Alliston plant Honda's first facility in North America to achieve this high standard.

The ministry has been leveraging its resources by working with the head offices of large companies and big box stores so that they in turn can implement corporate-wide recycling programs and processes.

Information is key. We need to work on educating and helping this sector understand their obligations and responsibilities under the three Rs regulations.

In closing, let me restate the ministry's commitment to ensure waste is diverted from landfills and safely managed to protect communities and the environment. We're confident that we're moving on the right track.

While the issues are complex, we believe our implementation of legislation, regulations and non-regulatory initiatives will go a long way to getting us to where we need to be and increase waste diversion and reduction in all sectors.

We're looking at successful jurisdictions elsewhere in the world and continuing to work with our partners—all levels of government, industry, non-government organizations and the public in Ontario—to improve waste diversion and help build a more sustainable future.

Thank you.

**The Chair (Mr. Norman W. Sterling):** Thank you very much. Now we'll go to questions. Mr. O'Toole?

**Mr. John O'Toole:** Thank you very much, Deputy, for the definitions and your response to the auditor's report. I'm fully aware that this meeting is convened under the Auditor General's report, in response specifically to some measures therein—the report that we have in front of us.

I just want to mention the reason I'm here. I'm the member from the riding of Durham. We have three very large issues that are important to the ministry and your function beyond what's in this report, one of which does touch on this whole idea of energy from waste, which is recommendation number 6, I believe it is, here in this report.

One of them is this: As well as the York-Durham waste management system, energy from waste—loud and angry demonstration—most of the letters that I received,

hundreds and hundreds of letters and emails, pretty well all from Durham but from other places too, were insisting that monitoring and enforcement, once it was approved, was paramount, and standards.

There was, I felt, some very cynical kind of manipulating of when it was approved—in the municipal election. It was the central theme in the municipal election in Clarington and indeed in Durham. The Durham regional chair got a lot of hassle about it. I'm making this so it's on the record, so I can pass it out in my riding. I'm being clear about that.

The new mayor—they got elected based on the premise that they were going to do something about it, energy from waste, which had been approved at the regional level before it was forwarded to the ministry. The cynical part of it is this. It may not be related in the purest sense to this meeting here, but it is important. There will be a response, Chair—

**The Chair (Mr. Norman W. Sterling):** Mr. O'Toole, we're dealing with section 3.09, and I want to get to that subject, so—

**Mr. John O'Toole:** Yes, I'm going to get to it—

**The Chair (Mr. Norman W. Sterling):** I'm going to give you two more minutes.

**Mr. John O'Toole:** Thank you very much for that. The point I'm trying to make is that when it was announced, it was right after the municipal election, and then the sign-back came back from the regional chair before the first chairs' meeting sat. That's why the public is cynical about it.

I put to you: What is the plan for monitoring and enforcing the energy-from-waste facility? That's a specific question so I can get it out to my constituents. Thank you.

Is that clear in the time I have?

**The Chair (Mr. Norman W. Sterling):** That's fine.

**Mr. John O'Toole:** Thanks for that, Chair.

**The Chair (Mr. Norman W. Sterling):** Perhaps, Deputy: Could you respond fairly quickly orally and then follow it up with a written response to Mr. O'Toole?

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**Ms. Gail Bedds:** Absolutely. Thank you very much for your question. We have in place a very strong environmental assessment, with conditions. We built in, for the very first time, conditions related to air guidelines to provide assurances to the community that those high standards would be in place. They're brand new air guidelines that are as good as anywhere in the world. The facility will also have to get a certificate of approval and have additional conditions put on it, and the ministry will monitor the implementation of all those conditions. If you'd like, we could follow up with more specific information about how and when that will happen and what the requirements of the municipality are.

**Mr. John O'Toole:** I very much appreciate it. That's kind of really what I wanted, and the Chair is right that we kind of won't answer technical questions in this place—I gather that the other part is the ethanol/methanol thing. But I'll leave it to others to follow up that these are

important and emerging issues to deal with, with the environment as well as how we manage and landfill sites.

**The Chair (Mr. Norman W. Sterling):** Thank you, Mr. O'Toole. Mr. Shurman?

**Mr. Peter Shurman:** I'd like to go back to your presentation and the general substance of matters raised by the Auditor General and what we've read recently. You speak in very positive terms about programs that have been introduced and what your expectations are going forward. But this report from the Auditor General looks almost as taking 2004 and the goals expressed by your ministry at that time as a baseline when you—not anybody here, but you, the ministry—said, "We're going to divert 60% of Ontario's waste." You've confirmed here, and it's stated in the Auditor General's report, that we've been doing not so bad residentially—approximately 40% at the municipal level—although it ranges from 20% to 60% depending on the size of the municipality. That's one aspect.

To get a general answer from you, I'll bring in the industrial sector, where you've confirmed again that we are at 12%. I think most people out there—Ontarians—would say, "Well, that's pretty dismal. I'm working hard with my blue box—I throw the cans in there. I separate my newspapers and I have a composter and all the rest of it." We're way out of line here. Why is that? We're in 2011, seven years after the fact.

**Ms. Gail Bedds:** Thank you for your question. I think the latest statistic we have is that industrial, commercial and institutional waste is at 12.7%. It varies in different parts of the sector, but that's an average. It has a long way to go to catch up to residential waste diversion, I would agree.

We've recently put in place a number of activities that I'm confident will help boost that diversion rate. Some of those activities include new programs under the Waste Diversion Act, such as the waste electrical and electronic equipment program, the municipal hazardous or special waste program and the used tires program—all have available business as part of where they're capturing their waste from. These programs are in their infancy; they're one or two years old. I compare that to our track record with the blue box, which was first implemented in 1983 in the city of Kitchener and really grew through the 1990s in municipalities around Ontario. It's my observation, and the ministry's observation, that it does take time to build momentum to perfect programs to get people participating.

To help the ICI sector, which has not as good a record of waste diversion, I spoke about tool kits that we're using. We've also approached corporate head offices, and they're developing corporate waste diversion plans. The reason this is an effective use of public resources is because when a corporation develops it, it spills out to their facilities. In many cases, corporations are now taking their waste diversion plans to non-regulated facilities. Our three Rs regs actually require diversion audits and waste reduction programs from only a certain scale of facility. When we approach a head office, they will, more

often than not, even roll it out to their facilities that don't meet that standard.

One of the other things we've done—it's similar to the Take Back the Light program—is that we're working with the Recycling Council of Ontario. We've provided them funding, and they're setting up a voluntary certification program for waste. They're targeting not just big business or big facilities but small and medium enterprises and encouraging and educating, in this program, how waste recycling can be done effectively and how it can improve the bottom line.

I will be speculating here about why waste diversion isn't as good as it should be in industrial, commercial and institutional settings, but we are not an isolated microcosm in Ontario. Waste diversion in business is largely driven right now by the bottom line. Some large corporations will look at it as a corporate social responsibility or sustainability issue. We know that over the last decade there have been more landfill developments outside Ontario's jurisdiction and landfill opportunities offered at rates that are low. If you are in business and looking at your bottom line, I think that will be one of the factors—

**Mr. Peter Shurman:** So you stick it in the ground as opposed to diverting it to other uses, and I understand that. But with respect, Deputy Minister, you're still talking to a large degree in "what if" terms: "This is only one year old; this is only two years old. We're working on it." But you're the ones who set the goals, and the goals have been missed.

I'd like to know when you expect to get to a mean level of 60% when you add municipal to industrial. I would suggest to you and ask you to incorporate into your answer the fact that in reviewing this, we see so many different levels involved in this. It's not just the ministry expressing a goal, which I'll let you answer to, but it's the waste diversion organization, it's Stewardship Ontario—you just mentioned the recycling council. There are so many bodies. Then you could talk about the city of Toronto versus the city of Vaughan versus some tiny little hamlet with 1,000 people in it, all with roughly the same goal and all tasked with achieving it, and none of these with the same tools to proceed.

**Ms. Gail Beggs:** You're right in recognizing the complexity of the waste management framework, and I think I outlined in my introductory remarks that the Ministry of the Environment needs to work with and rely on partners in tackling waste diversion goals.

In terms of optimism about progress in achieving greater diversion percentages, there are a number of other things under way that I believe will have a positive impact on diversion. One of those is the work across Canada by ministers of the environment from the federal government and all the provinces and territories on a framework for extended producer responsibility and on a sustainable packaging initiative.

To be effective in reducing packaging to make it cost-effective for business—and it goes back to Ontario not operating in isolation of circumstances outside its borders—business needs to be able to have a common set

of standards and a framework to work with across the country. By ministers of the environment working together to reduce packaging and working in collaboration with business, I'm confident that we'll be able to make inroads on packaging. Packaging is one of the largest contributors to landfills, so that's an important piece of the puzzle.

Would you like to go back? I just may have—

**Mr. Peter Shurman:** I'll make the question simple. You said 60%. You said 60% in 2004—by "you" I mean the ministry. That 60% was not contingent upon one thing or another; it was 60% industrial and residential. We're at 40% residential and 12% industrial. Tell me when we can look at 60% based on what you know and on what exists now. And if you can't make the 60%, tell me why not and what has to change.

**Ms. Gail Beggs:** I'm not able to give you a date when we will achieve 60%. What I can do is talk to you about some of the efforts we are taking to work within the policy and legislative framework we have to achieve greater diversion.

One of the things we haven't talked about in detail is the work we're doing on compliance with the three Rs in the ICI sector. I did mention that we have worked with corporate head offices, and I did talk about tool kits. What we've also done is increase our inspections on the three R regulations. I know my colleague Kevin French can give you more detailed statistics, but in working with the various sectors of the economy we have seen diversion rates climb as a result of our inspection efforts. They're not yet captured in Statistics Canada data, but we have seen significant increases in all but one sector that we've been working with. That is another example of progressive improvement on the ICI waste diversion front, where I think the auditor has pointed out that we need to have significant gains.

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**Mr. Peter Shurman:** So I'm not going to get a specific answer, which leads me to believe that maybe you should be running in this October's election, because you're as good as anybody here at the table. And that was a compliment.

Let's drill down a little bit. Let me deal for a moment with the municipal end of it only. The biggest problem that the auditor identified is that larger municipalities, I guess for fairly apparent reasons, are capable of dealing with this in an expeditious way; smaller municipalities, not so much. How do you deal with an overall goal where you've got a completely non-level playing field for the participants?

**Ms. Gail Beggs:** Thank you for the question. Large municipalities do have tools at their disposal that are easier to execute than smaller municipalities. In Ontario, under the Waste Diversion Act, there is a requirement, for example, for blue box funding to be split between municipalities and waste producers. That funding split is administered through Stewardship Ontario. They have a committee that's made up of producers and municipalities that draws up the funding formula and administers

the allocation to municipalities. This has been in place since, I think, 2004.

The good news about that is that it's provided smaller municipalities as well as larger municipalities with access to greater resources to deliver their recycling programs. In fact, it's resulted in—my most recent stats suggest that industry or producers are funding about \$92 million to \$93 million worth of recycling programs in municipalities.

As well, in waste diversion programs that are administered by the various industry funding organizations—by that, I am referring to Stewardship Ontario, the Ontario Electronic Stewardship and the Ontario Tire Stewardship. They have built into their program delivery opportunities for funding of municipal collection, which is making it easier, again, for smaller municipalities to successfully offer collection depots or diversion events to their citizens. I did speak about the oldest of these programs. The municipal hazardous or special waste program is just two years old; it was begun in 2008. But we're watching steady growth in all of these programs in terms of collection and recycling and that steady growth offers the opportunity to smaller municipalities.

Just to make sure I'm comprehensive, I'm going to just ask Mr. Lieou: Would there be anything that I've missed that you think would be important to add to my answer?

**Mr. John Lieou:** No, thank you. You covered the main points here.

**Mr. Peter Shurman:** Okay. Would I be any more successful on this level, municipal, in asking you when you expect to achieve 60%? You say there's steady growth. We're at 40%, or we were at 40% at the time of the AG's report. Where are we now? When do we get to 60%?

**Ms. Gail Beggs:** As I said when I answered the overall 60% question, I wouldn't be able to give you a date. What I can tell you, though, is that I think we're at 44%. That's the most recent data. It wouldn't have been available to the auditor when he published his report, so it's not a correction; it's just an update.

One of the areas the auditor identified as an area that we could do better in is organic diversion. We've actually seen a 35% increase in organics diversions. We're watching as more and more municipalities are offering services to residents for the diversion of organics. The growth in organics diversion is a tremendous opportunity for the province, both in terms of the ICI sector and the residential sector.

One of the things that the ministry has done to assist with organics diversion is the development, with consultation, of new guidelines that will support organics diversion. We're in the final process of analyzing the results of consultation and hope to be able to put these guidelines out. They will help increase the opportunity for investment in organics diversion facilities by both municipalities and the private sector.

As well, we've recently successfully cleared a backlog of certificates of approval in the ministry, and we are

modernizing our approvals system. We hope to be complete in two years. The reason I bring that up is that that will allow us to turn around applications for approval of facilities in a far more timely fashion and help expedite the development of the infrastructure to support both organics diversion and other diversion activities.

**Mr. Peter Shurman:** In one area of our reading material, there's a line that says that about "half the funds collected from 'stewards' are set aside and provided only to those municipalities ... able to demonstrate efficiencies" in their blue box program operations.

Then, following that—you've seen this—the auditor's recommendation number 1, and just one point of it, where the auditor says that the MOE "should work with municipalities, industry 'stewards' and other stakeholders to ... review the current funding formula for the blue box program to ensure that it achieves its objective of municipalities and 'stewards' equally sharing costs."

There seems to be a question on division of funds, how they're allocated and the fact that the smaller municipalities, I guess, have more of a burden to prove that they're doing something that merits those funds.

Are you monitoring the distribution of those funds? Have you taken any steps in line with this recommendation?

**Ms. Gail Beggs:** Thank you for your question. The requirement for 50% funding got embedded in 2004 under the Waste Diversion Act, so that's the—

*Interjection.*

**Ms. Gail Beggs:** Sorry, in 2002?

**Mr. John Lieou:** The Waste Diversion Act was 2002.

**Ms. Gail Beggs:** The Waste Diversion Act was 2002, but that particular provision came into effect in 2004.

The partitioning of funds is done under the auspices of Stewardship Ontario. They have a committee that's made up of municipality representation and producer representation that develops the funding formula and the protocol and ascertains how those funds should be distributed. Municipalities have to meet certain requirements, but they're agreed-upon requirements between municipalities and Stewardship Ontario.

That monitoring and auditing is done through the financial reporting of Stewardship Ontario. This year, we have agreed with Waste Diversion Ontario that an independent third party audit of all programs under Waste Diversion Ontario—that would include the blue box program and all the other waste diversion programs—will be completed by the end of the year. That auditing and third party review of these programs will be made public.

**Mr. Peter Shurman:** Thank you.

**The Chair (Mr. Norman W. Sterling):** Okay. Mr. Tabuns.

**Mr. Peter Tabuns:** Thank you, Ms. Beggs. I've looked at the auditor's report. I looked at the commentary that in fact there were a number of recommendations that were made as far back, I think, as 2004, which, if carried out, would have taken us close to or to the goal that government expressed as 60% waste diversion.

You've talked a lot about complexity, stakeholders and so on. It's been seven years. Why haven't we actually put in place those recommendations?

**Ms. Gail Beggs:** I'm going to go back and just explain a little bit to the committee.

**Mr. Peter Tabuns:** Sure.

**Ms. Gail Beggs:** The ministry's role is to put in place the implementation of legislation, regulations, policies and programs that are adopted by government.

The programs that we have in place today have their origins in the Waste Diversion Act passed in 2002 and implemented in policies and programs from 2002 through to, most recently, 2010.

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As well, there are, I think, a series of four regulations that cover the ICI sector and municipal diversion under the Environmental Protection Act. That's part of the legislative framework that we're implementing, as well as another regulation under the Environmental Protection Act.

So our job is effectively implementing that legislation and regulations, and within that framework, we've been working to increase diversion, to see a steady growth in diversion, which we are seeing in the programs under those statutes and regulations.

Most recently—you asked about “since 2004”—the kinds of things that have been put in place and that we're implementing in partnership with others include the 50% funding of the blue box program, a new municipal hazardous and special waste program, a new waste electronics program, a new tires program, voluntary programs where we've worked collaboratively with the grocery sector on the reduction of plastic bags, a voluntary program where we've worked with the Recycling Council of Ontario and Take Back the Light, a voluntary program on collecting mercury thermostats, and a voluntary program that citizens are participating in that was a partnership between the LCBO, the Ministry of Finance and the Ministry of the Environment, called Bag It Back.

The collection of all of those programs is showing a steady increase in diversion, most particularly in the residential sector, and in order to increase diversion in the ICI sector, we've also been working with the regulated community to improve their performance. Our efforts have included both hard enforcement and outreach and education, working together with corporate offices to ensure they understand their obligations and implement them, and we have seen a steady improvement in compliance and in diversion in that sector as we roll that out. We've also funded the Recycling Council of Ontario to develop a certification program for the ICI sector.

So those have been our efforts on our way to improving diversion, and we still have some rows to hoe, I think, on this one, for sure.

**Mr. Peter Tabuns:** As I understand it, within the legislative and regulatory framework that you've been given, you've been moving forward, but in fact, to actually reach that goal of 60% waste diversion across

the economy, you'd have to have new legislation and new regulation. Is that correct?

**Ms. Gail Beggs:** I don't think I have with me today a clear enough set of analytics to say with certainty that we would need new legislation and regulation. In my opening remarks, what I attempted to do is provide the committee with the perspective that diversion is a partnership and it requires the goodwill of all parts of a value chain in terms of making diversion happen.

One of the things I didn't speak about when I answered you, but I did speak about earlier, is the packaging equation. Packaging is an important part of the waste stream. It fills up a lot of our landfills. Diverting packaging will make a significant improvement in diversion rates. Because of the economies and economy of scale, the most effective way to work on packaging is to work in a Canada-wide partnership to reduce packaging. That work is being done at the Canadian Council of Ministers of the Environment and has been embraced by all of the governments—provincial, territorial and federal—and we continue to work with those partners.

I think that will be another important piece of the puzzle that will allow us to increase our diversion and be effective on the packaging issue.

**Mr. Peter Tabuns:** So you don't need any new regulation or legislation to meet the goals that the government set back in 2004. Is that correct?

**Ms. Gail Beggs:** I think there's always opportunity to examine how new legislation or regulations could improve the framework. We've been consulting under the Waste Diversion Act review since 2008, and there have been many ideas posed, and opposition to some of the ideas as well, about how we can improve waste diversion. Some of those ideas include regulations or changes to legislation.

**Mr. Peter Tabuns:** I'm trying to sort out why the Auditor General says that most of the recommendations that were needed to reach the goal weren't implemented. Maybe I should just quote him so that I'm not guessing: “Many of the issues that the government identified in 2004 as keys to achieving 60% waste diversion by the end of 2008 have yet to be successfully addressed.”

I asked you about legislation and regulation. Maybe you haven't been given the tools. Unless I'm wrong, you're saying that you do have the tools. It has been seven years that your department has had the tools, and you haven't delivered what we need. I don't understand why you haven't.

**Ms. Gail Beggs:** I'd probably take you back and say that we're working within the legislative and regulatory framework that we have to make gains in waste diversion. I think the Auditor General had some policy suggestions. We've heard some of the same suggestions during the Waste Diversion Act review. We're in the process of analyzing and evaluating those suggestions. We're also—and the Auditor General suggested that this was an important piece of the puzzle—reviewing successful programs in other jurisdictions to see what has

been effective there and to evaluate whether or not those programs could be imported to Ontario.

**Mr. Peter Tabuns:** The comment you made earlier that there has been steady movement forward: My guess is that you can probably take that movement, put it on a graph and show what you would expect to be the rates of diversion in the next year, two years, three years, four years. Have you been doing that?

**Ms. Gail Beggs:** I'm going to ask John Lieou, our ADM of the integrated environmental policy division, to answer, and to draw on others, John, if you feel you need to.

**Mr. John Lieou:** Sure. As the deputy minister mentioned, we are implementing a number of different programs to try and improve diversion in general, and also to result in the diversion of particularly problematic materials, such as tires. There's a tire program now, and it's diverting, in its first year—the results are not fully tallied yet, but in its first year of operation it would have probably diverted 130,000 tonnes of materials from landfills.

**Mr. Peter Tabuns:** What's that as a percentage of the total number?

**Mr. John Lieou:** It's out of 12 million tires. What I'm trying to say is that there are all these things to get at: not just the quantity of materials diverted, but also some of the problem materials such as municipal household hazardous waste and things like that. In these programs we see a continuing trend towards higher diversion.

As you pointed out, these programs in general may achieve hundreds of thousands of tonnes, but in terms of getting to the 60% that you mentioned, these will not get to that point. But there are other things—you mentioned that the Auditor General's report makes a number of different policy recommendations.

One of the things that we are really working on is organic waste. Currently, the set of tools—you've asked about tools—that we have on the books is very antiquated. They date from the early 1990s. For example, the guideline that we have for composting facilities actually was drafted, I believe, in 1991-92. At the time, it only envisaged basically open windrows of leaf and yard waste. It's completely inadequate for the modern facilities that we have today, which compost a wide range of materials using very new technology and so on.

What we've done is we've taken the guide, we've updated it and we actually have been consulting on that new guide. That new guide will provide a much better guide and direction to both our own ministry from an approvals perspective and a guide to operators in terms of guidance on operation siting, collection systems and so on, and to municipalities as well.

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With that new guide, the intent of that is to provide a good direction and guide so that industries can start actually investing in new expansions of operations of composting facilities.

Another thing that we recently consulted on, again with the objective of actually getting at the organics

waste stream, was a proposal to update the standards for composting being output from these facilities. Currently, we have one standard—and it's one-size-fits-all—without appreciation for the value that potential different grades of compost may have from a deployment-and-use perspective or even, in some cases, from the perspective of the marketplace, because there's a marketplace for finished compost.

To that end, what we have proposed is a new set of standards that actually, instead of one size standard—we propose a set of standards similar to the CCME standards. The Canadian Council of Ministers of the Environment collectively has developed a set of standards that actually has a series of gradations of standards. So we proposed that to stakeholders in the public.

Again, all these are meant to help us unlock the potential of dealing with the organics waste stream, which actually is a very substantial part of the waste stream: a third of it.

**Mr. Peter Tabuns:** I just want to go back. Can you tell me again the total tonnage of waste tires generated each year in Ontario?

**Mr. John Lieou:** I don't know the tonnes, but it's about 12 million tires, roughly.

**Mr. Peter Tabuns:** Twelve million tires. Okay. And how many have been diverted?

**Mr. John Lieou:** I think the intent, in its fourth or fifth year, is to actually divert 90% of that.

**Mr. Peter Tabuns:** And what have we diverted in this first year?

**Mr. John Lieou:** It's achieving its first-year target. We expect that. The final report, as I said, is not out yet, but I think we expect it to achieve its first-year target.

**Mr. Peter Tabuns:** And its first-year target again is how many tires?

**Mr. John Lieou:** I think it's seventy-something per cent.

**Mr. Peter Tabuns:** So the first-year target is 70% of those 12 million tires?

**Mr. John Lieou:** Yes.

**Mr. Peter Tabuns:** And you've reached?

**Mr. John Lieou:** Our final tally is not in yet because, again, the program is brand new.

**Mr. Peter Tabuns:** There's a charge for waste diversion that's collected from people when they buy tires, is there not?

**Mr. John Lieou:** There's a fee that retailers—

**Mr. Peter Tabuns:** There's a fee, yes.

**Mr. John Lieou:** Yes.

**Mr. Peter Tabuns:** And does that fee cover the cost of operating the program?

**Mr. John Lieou:** I would believe so. The fee actually is something that's set by the organization responsible for managing the entire program, and it's set based on forecasts, sales, cost and all those things.

**Mr. Peter Tabuns:** Is the fee set to cover the cost of diverting 100% of the tire waste stream?

**Mr. John Lieou:** It's set to get there as a targeted recycling collection, yes. And the fee, by the way, actually

is levied on the stewards themselves. So, yes, it's on the brand owners and stewards for those tires.

**Mr. Peter Tabuns:** And that isn't passed on to the consumer?

**Mr. John Lieou:** It's a business choice for those stewards whether they recover any of that through the supply chain.

**Mr. Peter Tabuns:** So if the program is collecting the fees and it's not diverting 100% of the tires, is it currently running at a surplus?

**Mr. John Lieou:** If you're referring to the funds that are actually sitting with—I believe that actually when the surplus number was released, the program was all of three or four months old. You have to look at these amounts as a snapshot in time as to what sits in the bank account and not as a surplus in the sense of a for-profit business. These are not-for-profit organizations. When they initially design a program, they set goals and targets and they also set a preliminary fee based on sales forecasts, based on what they forecast will be collected and so on and so forth. In that sense, it's based on the best information available at the time.

As the program gets implemented over time, over one, two, three years, the revenue and the costs actually even out. The design of the whole thing is that the revenues actually match the costs of the program.

When the program was about three or four months old, it filed that initial report. At the time, there was some amount of money sitting in the account. But that bears no relation to what's really a surplus or not a surplus.

Let me give you a bit of parallel. Somebody has a bank account. The fact that that person has a bank account—some money at the time—doesn't mean that there's a surplus. That person may have bills expected to come in and all these things. It's really not a surplus in the sense of a for-profit business.

**Mr. Peter Tabuns:** Okay.

**Ms. Gail Beggs:** I'd just like to underline it. I believe—and you correct me if I'm wrong, John—it's the Waste Diversion Act, 2002, that governs Waste Diversion Ontario and the industry funding organizations and actually requires them to be not-for-profit.

**Mr. Peter Tabuns:** Okay. You have an expected target in the next five years to be met with regard to tires. Do you have expected targets for the next five years with other materials?

**Mr. John Lieou:** Yes, we do. We have targets for all the programs, yes.

**Mr. Peter Tabuns:** So if you have targets for all the programs, how much, when you add them together, does that give us in waste diversion five years from now? Five years from now, you expect to meet your target of diverting—what?—90% of waste tires. I assume you've got targets with percentages for a variety of materials. What's the aggregate?

**Mr. John Lieou:** I don't have numbers right here. I can follow up with the numbers, if you wish.

**Mr. Peter Tabuns:** I do wish, and I would like them provided to the committee as a whole.

**Mr. John Lieou:** For sure.

**Mr. Peter Tabuns:** If you have targets for a variety of materials, I'd like to know what percentage of the total waste stream you have targets for and where those targets will place us five years from now, what part of the waste stream you don't have targets for and when we can expect to see those targets. If you don't have a target, then you can't measure whether you're making progress or not.

**Mr. John Lieou:** We do have targets, Mr. Tabuns, for the programs that are officially managed under the WDA.

Let me again go back to a point I made earlier. Those programs, aside from the fact that they are recycling or diverting material away from landfill, also serve the really important purpose of diverting from landfill problematic waste such as electronic waste, which has contaminants and potentially mercury switches and things like that in it. That's the other, really important purpose of those programs: to properly manage those kinds of waste.

**Mr. Peter Tabuns:** Yes, I think it's a laudable object. I've no doubt—

**The Vice-Chair (Mr. Peter Shurman):** Mr. Tabuns, the auditor would like to add on that issue.

**Mr. Peter Tabuns:** Sure.

**Mr. Jim McCarter:** We've got a couple of target values in our report: blue box—60% diversion by 2008; used tires—on-road tires, 91% by 2009, off-road tires, 14%; and electrical and electronic equipment, phase 1—32% by 2010.

Those are a few of the numbers that I think you were looking for. This was as of when we did the audit, which would be about six to nine months ago.

**Mr. Peter Tabuns:** Okay.

**Mr. Jim McCarter:** If you're looking for a page, it's on page 230.

**Mr. Peter Tabuns:** Yes, it's clear that targets have been set historically and not met, but it appears you're setting targets again. If you say five years from now for tires, used tires, 2009-10—I'd like to know what your current targets are and if these targets are now out of date, because the dates have passed and the targets haven't been met.

**Mr. John Lieou:** We can follow up with the future targets. We have targets and objectives for those programs.

But let me just go back to a point you made. For blue box, we actually met the target of 60% ahead of time. Currently, where the blue box stands, it exceeds its targets. It's recycling 65%, I think, of material for recycling through the blue box. For tires, as I was saying, it's still a very young program, but I think it's meeting its first-year target of some 70%. Eventually, it's expected to reach 90% recycling of all tires. So we're meeting the targets. Then there are some other programs that are just starting up and that need to work on their targets.

Insofar as your question on what the future targets are, we have them but I just don't have them right here.

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**The Vice-Chair (Mr. Peter Shurman):** Mr. Tabuns, thank you very much. Your time is up for this round. Over to the Liberals. Ms. Sandals?

**Mrs. Liz Sandals:** I want to carry on with some of the questioning.

One of the things that we often hear from the auditor when he's looking at enforcement or inspection is that it should be focused on high-volume or high-risk areas. When you're looking at the industrial, commercial and institutional segment, I think the data that the auditor had showed that a significant chunk of the waste that we need to be diverting is coming out of the retail sector.

I notice that you've mentioned a couple of times working with head offices and I wondered if you could give us a better sense of who you're working with, what you do when you're working with them and what the outcomes you're expecting are. Do you have some means of following up with them to figure out whether or not what you're doing is working? Are there other sectors that you can work with that way? So if you could give us a more detailed understanding of what you're doing there.

**Ms. Gail Beggs:** Thank you very much for your question. We've been working with a number of sectors in the ICI area. Specifically, some of our initial efforts were with the construction and demolition sectors.

We've partitioned the ICI area into groups. Construction and demolition are a group that have had, in the past, higher waste diversion efforts and we think have a potential for increased diversion. Particularly, some of their waste has a market, so there's a business opportunity there if they look at waste as a resource rather than something to dispose of. With that sector we've developed a tool kit. We've gone out and done individual inspections and we're seeing improved compliance rates—

**Mrs. Liz Sandals:** So when you say "tool kit," give me an idea what a tool kit for construction and demolition is.

**Ms. Gail Beggs:** One of the neatest things I saw in my term as deputy was the product. I actually thought about bringing it today and I'm kind of sorry I didn't, because the members might have been interested.

But I'm going to let Kevin French, our ADM of operations, just talk a little bit more about what's in that tool kit. Then I'd like to come back and answer your question about working with head offices as well. So, Kevin?

**Mr. Kevin French:** Thank you, Deputy.

**Mrs. Liz Sandals:** I think you've literally almost come to the end of your rope, looking at the cord there. You may have to shift left or right.

**Ms. Gail Beggs:** Okay, so I'll move.

**Mr. Kevin French:** Squeeze in here.

As the deputy mentioned, we've worked with a number of sectors—the construction and demolition sector—in developing a tool kit that they can use in their everyday business. The guide includes best practices to promote waste reduction and diversion, as well as a waste

audit and waste reduction work plan to assist individual sites in providing effective ways of diverting waste that may be generated at that site. We worked very hard with the sector itself to make sure it was relevant to them, because that was a really important part of the work that we've done.

We've taken that early first step and moved on to other sectors. Our most recent efforts have been with the education sector and school boards in particular. We're very proud of the work that's happened with a number of school boards over the last two fiscal years and have worked with them to look at how they can improve their efforts related to diversion.

Most recently, we've been working with the Ontario Hospital Association. The hospital association has actually set up a green hospital champion fund, where hospitals are offered an incentive, if you will, to conduct audits at their individual facilities. The guides were rolled out in September and hospitals are expected to have completed the waste audits and waste reduction work plans by June 2011.

**Mrs. Liz Sandals:** So when you're dealing with hospitals, I'm guessing that some of what you're dealing with is technical issues around hazardous wastes, and then you've got the non-hazardous wastes that need to be diverted. What is the big non-hazardous waste stream that needs to be diverted in the hospital sector?

**Mr. Kevin French:** Great question, and you're right: The focus is on the non-hazardous waste. It's waste that's generated in any facility, so the waste that we would see is everything from paper, or office supplies. It's that stream that we're talking about.

**Mrs. Liz Sandals:** And then, because they're food handlers, you'd get organics as well?

**Mr. Kevin French:** Correct. Again, organics is an area that we've talked about a bit earlier, where we see a very large potential to take one third of the waste that's generated in the province. We have made substantial progress, with 850,000 tonnes of that being diverted, but clearly both residential and institutional, commercial and industrial are generating those wastes. So it's a great point to raise, that a clear area of focus in working with hospitals is on not only the office and normal waste but also the organics.

**Mrs. Liz Sandals:** And then I think the deputy was going to talk about some of the more commercial head offices.

**Ms. Gail Beggs:** Yes, and I may ask Kevin to build on it.

The ICI sector, the business sector in Ontario, is a large and diverse sector and there are many, many establishments across the province. So we felt that it would be most effective as we targeted our work—and I think I outlined in my initial remarks that one of the most important first steps is to make sure the sector understands their obligations under the regulations, so that's a key to achieving compliance. But we felt the way to leverage our resources was to work with corporate head offices.

We have undertaken, in the last two years, eight corporate head offices and in the last four months added an additional four corporate head offices. While I wasn't planning to name the companies, I think if we all think about the communities we live in, when I say the words "big box stores" or retail complexes that you'd find across the province, you will all draw on the kinds of names that we've been working on. What I've been pleased to have reported to me is that the corporations have willingly rolled up their shirt sleeves, are educating themselves on their obligations and are putting in place corporate-wide waste audit systems and waste reduction plans.

I believe I mentioned, in an earlier answer to one of the members, that what that has meant is, as they roll it out, they'll actually be going beyond their obligations under the three Rs regulations. By that I mean that the regulations recognize the capacity of large facilities in larger communities, but some of these corporate head offices have smaller facilities in smaller communities. They're making their initiatives corporation-wide, so by that they're going beyond compliance.

I believe you also asked about our intentions on follow-up. We do have data. The special inspectors have been in place, I believe, since 2007. I'll just let you know that besides construction and demolition, we've been working with hotels and motels, office buildings, retail shopping complexes and retail shopping establishments—Kevin mentioned hospitals—schools, restaurants and multi-unit residential complexes. Those are all the groups captured by the three Rs. So we've been inspecting, educating; going back, inspecting and educating. In all but one circumstance, we've found, as we go back, increased compliance.

In our upcoming inspection plans, we're actually going to begin to go back to individual facilities that we first approached a year or two years ago to follow up. So when I was giving you the improved statistics, it was sector-wide; now we're going to start to look at individual facilities that we visited in the past to ensure that it was received and that they've been able to implement the necessary requirements.

**1400**

**Mrs. Liz Sandals:** So you are intervening more closely than you used to, and when you talk about working with corporate head offices, you're working with them to get a policy change. Then that goes out to directive, if it's retail, to every store in the—

**Ms. Gail Beggs:** It has a ripple effect, and by starting at the top we feel we're effectively capturing the full system—

**Mrs. Liz Sandals:** The whole chain, whatever sort of chain it is.

I want to go back to a couple of the questions that Mr. Tabuns was asking and get some clarification. He mentioned both fees and targets. Let's start with fees. The areas where there's a fee—and the obvious ones that come to mind are tires and electronics: When those fees are collected, they are collected from the generator of the

waste in the first place, right? Then they go to Stewardship Ontario or tire stewardship or electronic, whatever the organization has as a name. Then what happens to the fees?

**Ms. Gail Beggs:** I'll start, and then John may be able to fill in any holes that I leave. Under the Waste Diversion Act, Waste Diversion Ontario is struck, and when a program is requested, such as a used tires program, Waste Diversion Ontario works with producers to establish what's called an industry funding organization. In the case of used tires, it's Ontario Tire Stewardship. Ontario Tire Stewardship's board of directors is made up of the stewards of tires, so there are producers of tires or first importers of tires, and that board and the staff of the organization develop a program. In developing that program, under the auspices of the WDA, they estimate what is necessary to collect and properly manage and divert tires away from a landfill—a waste stream—and they estimate what the cost of delivering that program will be. They have a formula based on a producer or a steward's part of the sales into the province. They partition the costs of the program amongst the producers, based on the cost of diversions. Some tires—very large off-road tires, heavy construction—are a lot more expensive to manage at end of life than, perhaps, a tire on a compact car, for example. So the fees are struck based on how to manage and the cost of doing it.

**Mrs. Liz Sandals:** So if the fee goes to Ontario Tire Stewardship, the fee then is used by Ontario Tire Stewardship to divert the tires somewhere.

**Ms. Gail Beggs:** That's exactly true, as well as—

**Mrs. Liz Sandals:** So the fee never reaches the Ministry of the Environment.

**Ms. Gail Beggs:** No; no fees are collected by the government of Ontario, the Ministry of Finance or the Ministry of the Environment.

I would like to add that, in addition to using the monies collected from producers for running the diversion programs, many of the diversion programs also use fees to do market research and to provide incentives for the development of innovative recycling methodologies. John, we're just talking about Ontario Tire Stewardship. They have some particular initiatives.

**Mr. John Lieou:** That's right. They actually have different parts to the incentive that the deputy talked about. For example, if you take the fee for a steward of regular passenger tires, that's \$587, somewhere in that vicinity. Some of that \$587 will go to the person who actually collects the tires. So, say you buy your tires, you bring your tires back to a tire retailer and that retailer who does the collection of the tires hands it off then to, say, someone who then takes it to a recycler. That portion—

**Mrs. Liz Sandals:** So somebody has to be paid to get it from "I don't want it anymore" to "Here's where it goes to be handled."

**Mr. John Lieou:** That's right. The party that takes that tire and actually, for example, cuts it up into little

pieces and so on—that company has costs and gets paid something.

Also, part of the funds actually go to the people who make it into a product. There's a fund, as the deputy as saying, for the tire program actually to develop innovative markets, I think, for recycled tires and so on. There are different parts of the funds that go towards different activities and different objectives.

**Mrs. Liz Sandals:** The concern with tires has always been this vision of tires going into landfill or tires going into private dumps. I noticed Mr. Barrett was here earlier, and I think that down in his neck of the woods you had these huge, big tire-fire sort of things going on that were a horrendous environmental hazard. Is what's happening now with the tires as a result of that diversion fee? Are we getting things so they're not going into these big dumps and not going into landfill?

**Mr. John Lieou:** That's right. As I was saying earlier, for example, for passenger tires, the objective is to recycle almost all of them, 90% of them; that really is to have almost no tires at all go either towards landfill, illegal tire sites or being illegally dumped—and so on and so forth. That's really the objective of that.

**Mrs. Liz Sandals:** Okay. The other thing that I wanted to follow up on a bit was the notion of targets, because—

**Mr. John Lieou:** The notion of what, sorry?

**Mrs. Liz Sandals:** Of targets.

**Mr. John Lieou:** Targets, yes.

**Mrs. Liz Sandals:** Because I presume that when you say you've got an overall 60% goal for diversion, that just means what it means in plain English. But when you get down to, let's say, a diversion target for electronics, is that—because there are some numbers that the auditor directed us to on page 230: some percentage for year one and another percentage for year two.

What I don't get there is, how would you know how many people dumped a TV that year? I'm suspecting that that's based more on a projection of, "This many people bought one. I don't know what the expected life expectancy of a TV is now, but six or seven years ago, this many TVs were bought. Therefore, we expect this many are going to be dumped this year, and that's how many we have to divert." Is that more of a projection as opposed to a target?

**Mr. John Lieou:** Yes, it is. Yes, that's an excellent point you make there, Ms. Sandals. Basically, the targets for these individual programs really are not anchored in the overall 60%. They are based on the industry organization that was called upon to actually develop the program: based on their expertise and based on their due diligence process of consulting with their stakeholders, with the companies that make and sell TVs, as to what they're going to sell in the marketplace and how long they will actually be used. For example, the panel TV life will be different from the vacuum-tube-TV life of the past and so on. They have to take all that into account.

Based on whatever best information they have at the time when they actually develop these numbers, they

establish, as you say, a forecast of what will be collected and how many will be sold. They develop an estimate of what it will cost to handle it, to dismantle the TV, actually take it apart and take out, say, the mercury switches or some of the contaminants inside those TVs and properly handle it; how much that will cost. Then they have to set a fee based on how many players there are in the market and all these things; how many stewards are in the market. It's all based on the forecast done at a time, based on best available information.

Then they roll it out and actual information comes back in. Better and better information becomes available as you have more and more experience with actually implementing the program on the ground.

**Mrs. Liz Sandals:** So if—

**The Vice-Chair (Mr. Peter Shurman):** Ms. Sandals, thank you very much.

**Mrs. Liz Sandals:** Can I just—one short follow-up?

**The Vice-Chair (Mr. Peter Shurman):** Do a quickie? Sure.

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**Mrs. Liz Sandals:** If the projection was, "We're going to sell this many new TVs this year," therefore we presume that most of these people already have a TV and they're replacing it, so we need to get rid of that one. Then we have a recession and everybody decides they can keep their old TV for another year because they can't afford a new one. It's almost like you wouldn't meet the projections just because you had a recession as opposed to a whole bunch of people who threw their TVs away and it didn't get diverted properly.

**Mr. John Lieou:** That's certainly a possibility in terms of—

**Mrs. Liz Sandals:** As I say, the 60% overall target is a target target. We need to understand that some of these things lower down the chain may be more like projections than targets, if I can put it that way.

**Mr. John Lieou:** That's right.

**Mrs. Liz Sandals:** Thank you.

**The Vice-Chair (Mr. Peter Shurman):** Ms. Sandals, thank you. May I suggest—it's 2:15, and we want to be out of here by 3—that we do three 15-minute-maximum rounds? You don't have to use the 15, but that'll be the max. Everybody agreed? Done?

*Interjection.*

**The Vice-Chair (Mr. Peter Shurman):** Everybody else agree, 10? We're on for 10. Over to the PCs, Mr. Ouellette.

**Mr. Jerry J. Ouellette:** I want to follow up on Ms. Sandals's and Mr. Tabuns's questioning regarding the tire program.

My understanding is, you said it's about \$6 per tire that's collected, John, and \$5.85 is what the retailer or wholesaler would pay. As well, though, my understanding is that they pay about 75 cents a tire when those tires come in, correct? At least in our area, in the region of Durham.

**Mr. John Lieou:** No; the \$5.87 actually is being paid by the tire stewards—for example, the people who

actually input the tires into Ontario or people who actually manufacture tires, like Bridgestone, Pirelli and so on. They are actually the ones who have to pay that cost into the Ontario Tire Stewardship program.

There's also a fee that you mentioned being charged at the retail level. Basically, individual stewards will decide in their own business decision to pass down a cost or not to their wholesale or retail chain, and the retailers also decide on their own to recover some of that—

**Mr. Jerry J. Ouellette:** Yes. I stepped out and spoke to a retailer who specifically told me that he pays \$6 a tire for the tire diversion fee on his bills on every tire that comes in.

**Mr. John Lieou:** So he pays back through the chain.

**Mr. Jerry J. Ouellette:** That's right. So it eventually comes out to the customer because he charges them there. However, there's also a fee of about 75 cents that was being paid out for tires that were turned in, so that when individuals brought old tires in, in that process they were given 75 cents.

**Mr. John Lieou:** They are being given a fee.

**Mr. Jerry J. Ouellette:** Right. So you've gone from \$5.87—in this case, \$6—to being paid out 75 cents per tire. So that's \$5.25 per unit that's out there, which is a big difference, and as was mentioned, there was research being done on other things, which is a large difference in the price.

But some of the questions I would have would be: Specifically how do you determine 91% compliance? You've achieved a diversion target rate of 91%.

**Mr. John Lieou:** It's a target.

**Mr. Jerry J. Ouellette:** You mentioned 12 million tires.

**Mr. John Lieou:** Yes.

**Mr. Jerry J. Ouellette:** How do you determine that?

**Mr. John Lieou:** It's an industry funding organization that basically determined whether it's doable or not. In this particular case, it was a request made by the minister, I believe, to the industry funding organization to develop a program that could actually achieve that objective.

**Mr. Jerry J. Ouellette:** Okay, because what I found very unusual was, first of all, 91%. I would have thought it would have been about 150% simply because I know that many individuals and retailers had storage piles of tires that they saved until, surprise, they got 75 cents a tire and they were turning in hundreds of tires at the same time. So what you're getting is the stockpiles. I would assume that the way you determine it is: Okay, we pay \$6, \$5.87, as you mentioned, per tire that goes out, and then what's being paid out in the case is 75 cents a tire, and then when the two balance, we get 91%. Is that correct?

**Mr. John Lieou:** No. Basically—

**Mr. Jerry J. Ouellette:** How do you determine the diversion rate then to be 91%?

**Mr. John Lieou:** I think it's based on the tires that eventually go back to the recyclers. There are facilities that actually take the tires in and turn them into small

pieces that then go into product-making, like playground mats, floor mats and things like that.

**Mr. Jerry J. Ouellette:** So 91% is of what, then? What's the base number you're subtracting that you use to determine?

**Mr. John Lieou:** It's an eventual target in the last year of the program. There's a five-year target. This is a fifth-year target for the percentage of tires that are being sold.

**Mr. Jerry J. Ouellette:** Okay, so that's what it is: It's the percentage of tires being sold.

**Mr. John Lieou:** Yes.

**Mr. Jerry J. Ouellette:** So when those ones that are turned in equate to 91% of the ones that have been sold.

**Mr. John Lieou:** Yes.

**Mr. Jerry J. Ouellette:** In the first year, there were large numbers of stockpiles of tires. Individuals went out and hockey teams went out and collected tires along the roadside to turn them in to get the 75 cents per tire. Lo and behold, you end up with only 91%. I would have thought that the number would have been extremely higher, because in the first year, all those individuals who had stockpiled tires were turning them in to get the funds for them. Does that not seem rational to you?

**Mr. John Lieou:** You're suggesting that—

**Mr. Jerry J. Ouellette:** I'm suggesting that it's an artificially inflated number that should be substantially incorrect; that it's not actually 91%; that there's a large number of tires that were turned in that were not sold in the first year, because you've got 10 years of stockpiles of tires out there sitting in people's farmyards and barnyards and in the back that all of a sudden get turned in, and lo and behold, we only get 91%. To me, it would say that the program is doing far less than it's actually doing out there. It's far less successful. It should have been a lot higher number.

**Mr. John Lieou:** Actually, I don't have information on that front. Let me just say that there's another aspect of the program that will work with stockpile cleanups. Basically, our own ministry is actually working closely with Ontario Stewardship to prioritize a cleanup of all the tire sites in terms of the stockpiles. That's another aspect of the program. There's a stockpile cleanup part of the program as well. Maybe that mitigates the issue that you were talking about.

**Mr. Jerry J. Ouellette:** It just seems that the numbers should have been a lot greater, because I would have anticipated, and I would imagine you saw peaks and lows in the first several months of it if the monitoring was that close, where during the first several months there would be large numbers that were coming in. I don't imagine you did determinations to determine whether it was single tires that were coming in or was it quantities, because the individuals whom I spoke to and the garages that I went around and talked to were taking truckloads of tires in that they had sitting around because they didn't want to pay for them to be disposed of at a dump site.

Some of the other questions I would have would be: You mentioned the relationship between municipal and

commercial tipping sites. Municipally, if you go into the region of Durham, or the city of Oshawa in my particular case, you would drive into the dump site where there would be separate bins. Somebody would come up and ask you what you have, and then they would break it down into various recyclables and non-recyclables.

At the commercial sites, there's none of that. When you go to the commercial site it's, "Put it in over there." There doesn't appear to be any recycling in any way, shape or form. Quite frankly, when I look into this, I find out that it's not to their cost advantage to break it down because it costs them more, as commercial tipping sites, to dump this than it does to break it down. Is there any movement to go forward with the five-year plan so that we can have that, to have these sites actually separate a lot of their waste disposal?

**Mr. John Lieou:** Actually, it goes back to what the deputy and Kevin were talking about earlier, which is working with all the ICI sectors towards complying with the regulations and so on and working with them on these source separation programs at a corporate level so that then gets acted on by all the different corporate entities within the system.

**Ms. Gail Beggs:** Maybe I can just add a little bit. The framework that governs the industrial, commercial and institutional sector is a framework that requires the sector to develop a waste audit, to develop a waste reduction plan, to source-separate and to make best efforts. It's a facility-based requirement. So if I'm business ABC and I meet the screening level and am captured by the regulation, those are the steps I must take: a waste audit, a waste reduction plan, source-separate and then also make best efforts. The source separation requirement is on the facility.

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**Mr. Jerry J. Ouellette:** There's some monitoring that is taking place of these particular sites to ensure that's in compliance?

**Ms. Gail Beggs:** There is. We were talking earlier that the ministry in 2007 put together a dedicated team to work with the ICI sector. We focused our first efforts on education and outreach because we found that much of the sector was unfamiliar with their legislative regulatory obligations. We are following through after the education and outreach to go back and check that they're actually complying with it. We've noticed, over the course of the three years that the team has been in place, that compliance has improved in virtually all of the sectors; in one sector, it's static.

**Mr. Jerry J. Ouellette:** One quick question.

**The Vice-Chair (Mr. Peter Shurman):** A little one? Finish up.

**Mr. Jerry J. Ouellette:** I recall a stat, and I just wondered where we are at this particular time. If the province's ability to ship all of its waste outside of the province were to suddenly happen—how much time, days, would we have before all the dump sites in the province were filled?

**Ms. Gail Beggs:** That's a good question, and I don't have the exact answer, but I can just give you a little bit of information that I think is pertinent to the question. The ministry worked with all of the large municipalities who were shipping waste to Michigan to develop a plan that has been executed over the last three or four years to stop shipments of waste to Michigan, and we were successful at concluding that by our goal of December 2010.

I did a quick calculation of landfill capacity just in my head, and I think the Auditor General may have referenced this in his report, that there were 20 to 25 years remaining. But since the Auditor General's report, the ministry has approved the environmental assessment for a York/Durham energy-from-waste facility, and we are continuing to receive applications and working with other parts of the sector to increase capacity for organic processing. So when we look at what's available in the province, we have to look not just at landfills but at the energy-from-waste sector, the diversion, the organics processing part, to get a full picture of it. If you'd like, we can try to calculate this; we'll have to make a lot of assumptions, so the confidence limits may be wide.

**Mr. Jerry J. Ouellette:** That's okay.

**The Vice-Chair (Mr. Peter Shurman):** Thank you very much. Over to the NDP. Mr. Tabuns.

**Mr. Peter Tabuns:** I just have one question, one area: the ICI sector. The auditor noted, with regard to the compliance with waste reduction work plans, that there was little evidence in half the files reviewed that the ministry inspector reviewed waste audits or waste reduction work plans. Why?

**Ms. Gail Beggs:** What I can tell you is that as a result of the auditor's review and recommendations, we've taken a look at how we're doing on waste inspections of non-hazardous wastes, which is what this audit was about, and we have put in place protocols for inspectors that include review of plans and follow-up on their inspections. We have also improved our record-keeping and our internal databases. We've worked hard, I think, over the last year to do this. Our protocols are being rolled out to our field inspectors this month, February; training is being conducted in March. Implementation requirements are at the beginning of next fiscal year.

Kevin, I'm going to turn it over to you, but it's my understanding that while we've been working on that at a corporate level, we've actually implemented some of the auditor's findings as they relate to inspections.

**Mr. Kevin French:** Right. Thanks, Deputy. As you point out, the auditor did have a recommendation that the ministry has followed up on. We have worked with our staff to make sure there are guidelines in place. As importantly, the results of those inspections are documented so that we can actually talk about the progress that's being made.

I can assure the committee that the recommendation was taken and a plan was developed. That plan is in place, the training with our environmental officers is happening and we will see the results in our records as we move forward in the inspection reports.

**Mr. Peter Tabuns:** That's the only question I had.

**The Vice-Chair (Mr. Peter Shurman):** Thank you very much. Let's go to the Liberals, who have a couple of questions. Mr. Arthurs.

**Mr. Wayne Arthurs:** Among your earlier comments, you talked about making gains. I kind of want to reference a little bit of my experience, probably not unlike that of some of the other elected officials and others around the table, that waste diversion really is an incremental process as opposed to meeting a specific target in a very short period of time.

You referenced 1983 as the time frame in which Kitchener started the blue box program. If I could—Chair, just indulge me—it was probably about 1986-87, when I was a councillor in the town of Pickering, that we had a landfill site, the Brock West landfill site, which was then the old Metropolitan Toronto site. In my view, it was poorly run in those days. They didn't cover stuff; they brought in sewage sludge overnight. I was about a mile downwind from it, and I got all of the benefits of that, plus the truck traffic and the stuff blowing around. They've become a much better operator over the years.

In that history, I ended up on council and was involved in a very early Metro process called SWEAP, the solid waste environmental assessment plan. I see Mr. Tabuns nodding; he would be familiar with that as well. For me, this was really a learning experience: a from-the-ground-up, from-the-bottom-up kind of experience where it was the citizenry that ultimately would drive waste diversion.

For a period of time in about 1987-88, I became the chairman of Durham Recycling Centre Inc. before I went to the mayor's office in Pickering. It was a volunteer organization, ultimately taken over by Durham region, that was the founder of the blue box and recycling program in Durham region at that point in time.

I could probably tell you a lot about Durham, and certainly Mr. Ouellette knows as well, about their, I'll say, successes. They were involved in waste diversion and waste reduction early, in part because we had the Brock West landfill site. That drove a lot of the politics, but it also drove it from the ground up. The history is extensive, right through to the most current approvals on the EA for the energy-from-waste facility.

My own experience with a private sector operator was that Miller Waste has a very significant facility in Pickering that was put in place while I was in the mayor's office. It was an operating system that they took over, but it has a recycling facility; it has diversion facilities; it has a compost facility. It's a very efficient facility, and they work very co-operatively with the region and with the local municipalities.

That's kind of the background.

The kids—the young people—are the ones who, in my view, have been driving and will drive this incremental growth in waste diversion. We can look around at our families, and it's the kids now who are saying, "Are you putting that in the green bin that's on the counter?" It was

a few years ago that Durham introduced the little green bins that go on the counter.

Weekly collection went to bi-weekly collection of what was left—the residual waste. The blue box is collected weekly; the green bin is collected weekly. So they've made some good strides in that regard.

Having said all of that, what are the successes that you are seeing for residents in waste diversion by the programs that are currently going on or initiatives that are being championed by municipalities or others?

Your comments about the big box stores, the power centres: I think they came to that in part because their customers said, in their own way, "We want you to do something about waste. We want you to do something about packaging-related waste. We want you to be a player in that." I don't think they decided on that on their own without something driving as well from the bottom up.

I'm interested in the kinds of successes you see happening, whether it's from the bottom up, whether it's for residents or whether it's for the corporate sector.

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One of our greatest successes has been the wine and spirits program of deposits and returns. We had that debate. There's always the debate about: Will people endorse it? What store is the best one to take it back to: the LCBO or the Beer Store? What kind of reaction are we going to have? If you put a deposit on something, will people actually pay it? I think the diversion rate, as a result of that, has been excellent. I don't know whether it's reached or exceeded the targets, but I think it's got to be a very, very high level.

Any comments on some of the success levels and other opportunities?

**Ms. Gail Beggs:** Thank you very much for your question. I think I would share the premise of your observation: The success of diversion really is about a shared goal and getting individual members of the public, families and businesses in partnership to actually reach diversion goals. I think we are seeing a real interest in the environment by individual citizens, by school-aged children and, increasingly, by workplaces.

One of the things we haven't talked about here today is a greening initiative in the Ontario government and in the broader public sector. We, as the Ministry of the Environment, have worked in partnership with the Ministry of Government Services to help green government operations. We felt strongly as a ministry that we had to try and be a role model if we were going to try and implement regulations and legislation and require it of others, so we've worked voluntarily to reduce our environmental footprint, including improving our waste diversion record at our corporate head offices at 135 St. Clair. We've also provided advice to the Ministry of Government Services, which has rolled out greening across government.

Increasingly, we're being asked as a ministry to help green others' operations. Most recently, we allowed some of our officials to be seconded to assist with the implementation of the G20 meeting in Toronto, where they

provided advice to the organizers on how to make that as green as was possible.

I am really heartened by the interest in all sectors of the economy in becoming green. So I would make that observation.

I talked in my opening remarks about the Woodbine Entertainment Group, and I talked about Honda. Another in the ICI sector that's been working really hard is the Canadian National Exhibition grounds. The Rogers Centre has reached out; they're trying very hard to green, and in particular, they've focused on waste diversion. I think these institutions like to focus on waste diversion because it's very visible and tangible. Despite our difficulty in talking about recovery rates across the province, it's easy for an individual facility to measure and monitor. So I think that has been great.

Some of the other highlights for us include:

—the very successful Take Back the Light program: over two million lights, I think, in two years of operation, which is incredible;

—the growth in organics diversion; and

—a 35% growth in municipalities offering curbside services or other collection means to their citizens over three years—another huge jump.

Again, I would say it goes to a latent desire amongst individuals and institutions to do the right thing. The Ontario Hospital Association, which we've been working with, has put together a tool kit and an incentive for hospitals to divert waste; another great example of an initiative. And I referred to earlier, as we've done our outreach to all of the ICI sectors, the improvement in compliance that we've seen.

As well, I think businesses are finding, as we as a society recognize the expense of raw materials and as new business innovations happen on the recycling end, there is a bottom-line impact and they can actually improve their fiscal position by finding alternatives to dumping waste. So some folks will pay them: What is waste to one company is a resource to another. Kevin, I don't know if—

**The Vice-Chair (Mr. Peter Shurman):** Why don't we hold it there. I know that Mr. Lalonde has a question and the Liberals are basically out of time, so with the indulgence of everyone else, please proceed.

**Mr. Jean-Marc Lalonde:** My question would be: Knowing that the blue box program has been very successful, especially the kids educating adults on the program, have you ever thought about implementing a program that would help a municipality to have some location, like big containers, where the people could drop their old electrical equipment? At the present time, we know that a lot of it is going to the landfill site, and that's not where it should be. Knowing that there are already some programs in place and that there are individual groups collecting it, they have long distances to go in the rural sector and they don't tend to go around to every small community.

**Ms. Gail Beggs:** I'm going to answer your question at a general level first, and perhaps John Lieou may be able to add some details. When the ministry, through the minister, requests diversion programs from Waste Diversion Ontario and they work with an industry funding organization, part of the development of that program is to find ways to work with accessibility issues, particularly in rural or remoter parts of the province. Many of the programs done by the stewardship organizations, whether it be the Ontario Electronics Stewardship, the Ontario Tire Stewardship or Stewardship Ontario—they fund collection sites and collection events implemented by municipalities. As well, they work with retailers for drop-off and provide incentives there. It's a win-win, because retailers get traffic in their stores to come and buy the next light bulb when they drop off one light bulb. But it's an integral part of the program development to consider accessibility, and just like the programs develop targets or goals for diversion, they also develop targets and goals for accessibility. John, do you want to add—

**The Vice-Chair (Mr. Peter Shurman):** With your indulgence, I think we're going to cut it off there, because we've gone about 13 minutes on the 10, and I think we have enough.

Thank you very much, Deputy Minister, assistant deputy ministers Mr. Lieou and Mr. French, as well as staff. That concludes the public part of this hearing. I'll ask the members to stay behind for some direction.

**Ms. Gail Beggs:** Thank you very much to the committee and to the Auditor General.

*The committee continued in closed session at 1441.*



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Second Session, 39<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Deuxième session, 39<sup>e</sup> législature

# Official Report of Debates (Hansard)

Wednesday 2 March 2011

# Journal des débats (Hansard)

Mercredi 2 mars 2011

## Standing Committee on Public Accounts

2010 Annual Report,  
Auditor General:  
Ministry of Health  
and Long-Term Care

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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTS

Wednesday 2 March 2011

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
COMPTE PUBLICS

Mercredi 2 mars 2011

*The committee met at 0902 in committee room 1, following a closed session.*

2010 ANNUAL REPORT,  
AUDITOR GENERAL  
MINISTRY OF HEALTH  
AND LONG-TERM CARE

Consideration of section 4.11, hospital board governance.

**The Vice-Chair (Mr. Peter Shurman):** The committee is in open session to consider section 4.11, hospital board governance, 2010 Annual Report of the Auditor General.

I'd like to advise you, Deputy Minister, and the people in the room, that the committee made a decision last week to meet from now until 10:20, for the start of question period, and that's it, because we're only considering two recommendations and your responses. So I would ask you, as usual, to introduce yourselves and your team for Hansard and make the presentation that you have. Depending on how the time goes, we'll go in 10-minute rotations by party.

**Mr. Saïd Rafi:** Thank you very much, Chair, and again, thanks for the opportunity to be here at the Standing Committee on Public Accounts and to address the Auditor General's follow-up report on hospital board governance.

With me today, to my immediate left, is Tai Huynh, from the ministry. He's the director working on the Excellent Care for All Act. Also present, to Tai's left, is Carol Hansell. Carol is the chair of the governance leadership council of the Ontario Hospital Association and a director on the board of Toronto East General Hospital.

Perhaps by way of introduction, because Carol's background is far greater than just those two titles, she's a senior partner with Davies Ward Phillips & Vineberg LLP, practising law in the area of corporate, commercial and securities. She has a particular expertise in corporate governance and regularly advises boards and their committees in the context of transactions, conflict-of-interest questions, and on governance practices more generally. Of significant note, while it says in the remarks that she is a member of the corporate governance subcommittee of the American Bar Association, she's actually the chair and the first Canadian to hold that position.

So Carol is a person of great eminence and expertise in the area of corporate governance, and we're pleased to have her with us today.

Let me just state at the outset, as I think we have in the past, that the ministry supports the auditor's review of the governance practices and, of course, has agreed in our responses to the Auditor General on the importance of good hospital governance.

The question is, what do we mean by good governance at hospitals? To my mind, it means a shared process of top-level organizational leadership, policy formulation and decision-making. Although the governing board has the ultimate responsibility, the CEO, senior management and clinical leaders in a hospital environment are also involved in top-level functions. Governance is not only a board activity, but, rather, an interdependent partnership of all the leaders in the organization.

The Auditor General's 2008 report focused on two specific areas, which you know: hospital governance and oversight. Today I'd like to talk about our progress to date on both of these topics and the ministry's plans to strengthen hospital board governance even further. I will also focus on the legislation that's already in place and the legislative changes that have been implemented, and the work we're doing with our partners—the local health integration networks, or the LHINs, and of course the Ontario Hospital Association—on guiding and educating hospital board members. I'll share with you some of the exemplary work of some hospitals around Ontario in the arena of governance.

The section in the audit on hospital governance focused on good governance practices and recommended that the ministry work with the stakeholders, including LHINs, to help ensure that hospital boards are following good governance practices.

It's important to note that at the same time that we have been responding to the auditor's recommendations regarding hospital governance, the ministry and the LHINs—especially given that they were one year into their existence when the audit was done—have been working together to strengthen the LHINs' own governance practices to ensure that their boards have the leadership skills and capacity to work with and strengthen the boards of local health service providers, or HSPs.

At the hospital level, the auditor's recommendations addressed such governance issues as encouraging skills-based boards, avoiding conflict of interest, obtaining

community input to inform decision-making, and ensuring that management provides relevant information to boards for decision-making purposes. As well, the recommendation was for the ministry to work with its stakeholders to develop a process for sharing best practices in governance among hospital boards province-wide.

In response to the AG's recommendation, the government has made changes to the regulations under the Public Hospitals Act to minimize potential conflicts of interest on hospital boards. Specifically, effective January of this year, hospital employees and medical staff are no longer permitted to be voting members of hospital boards. The PHA was also amended to require the president of the medical staff, the chief of staff, the chief nursing executive and the CEO to be members of the board, as ex officio, non-voting. This change will ensure that boards have clear and direct access to clinical and management expertise.

To ensure that management provides relevant information to boards for decision-making purposes, the Public Hospitals Act was amended to require each hospital CEO to compile all critical incident data and provide it to the quality committee of the board twice annually for review and consideration. I would note that every hospital must now have a quality committee of the board.

These amendments were necessary not only to respond to the auditor's findings, but also to set the stage for the Excellent Care for All Act, 2010. The Excellent Care for All Act will strengthen the governance of hospital boards, ensure that patient views are part of planning processes and make quality of care a critical goal of hospitals.

That legislation includes requirements for hospitals to:

- establish board-level quality committees, as I mentioned;
- put annual quality improvement plans in place and make them available to the public, by posting them on their website, for example;
- link executive compensation to the achievement of targets set out in the quality improvement plan;
- put patient satisfaction surveys in place, as well as staff and provider surveys, at every hospital;
- seek community input in developing patient declaration of values; and
- establish a patient relations process to address and improve the patient experience.

The implementation of the various requirements of the legislation is currently under way, and the ministry is working with hospitals to help them comply with the requirements of the act. Many of those requirements I mentioned begin April 1, 2011.

**0910**

Among other strategies, the ministry is supporting the development and distribution of a province-wide training program for hospital board chairs, quality committee chairs and CEOs on effective governance for quality and patient safety. As recommended in the Auditor General's report, this will support best practices in governance pro-

cesses and support hospitals across the province in the implementation of the Excellent Care for All Act.

These education sessions, funded by the Ontario government, were developed by the Canadian Health Services Research Foundation and the Canadian Patient Safety Institute, in partnership with the OHA. They provide a comprehensive education curriculum that supports Ontario hospital boards in their ongoing efforts to improve governance in the area of quality and patient safety. Of course, Carol can speak better than I and in greater detail about this education program.

Another important piece of legislation passed last year that will strengthen hospital board governance is the Broader Public Sector Accountability Act, 2010. This act raises the bar on accountability and transparency for hospitals, LHINs and other broader public sector organizations. It does so by:

- banning the practice of hiring external lobbyists with taxpayer dollars in hospitals;
- requiring large broader public sector organizations like hospitals to follow tough new expense and procurement rules;
- requiring all hospitals and LHINs to report on their use of consultants and to post online the expense claim information for senior executives;
- requiring all hospitals and LHINs to attest to the fact that they are in compliance with the legislation, including new procurement requirements, and posting those attestations on their websites;
- making hospitals subject to the Freedom of Information and Protection of Privacy Act, effective January 1, 2012; and
- potentially reducing their pay as a consequence if senior executives of hospitals or LHINs fail to comply with these new rules.

Undoubtedly, the strength of Ontario's hospital system is built upon the vision, dedication and spirit of the many citizens who volunteer their time as directors, working tirelessly to help improve the quality of care in their communities. Through their efforts, many of the ideals of good governance are put into practice every day in hospitals around the province.

I'd like to give you some examples of that. Back in 2007, the Scarborough Hospital witnessed a prolonged period of instability and poor patient outcomes. Since then, and after an extensive review of measures, community consultation and a revised board that included a diverse knowledge and skills mix, the Scarborough Hospital was able to improve all measures of quality, including dramatically reducing their hospital standardized mortality rate—a good measure indeed.

The Scarborough Hospital's corporate bylaws were developed after surveys of governance practices among hospitals in the GTA and from around the world. The new bylaws include a shift to skills-based boards, as well as open board meetings, a community advisory committee and biannual, board-sponsored community update meetings to enhance that community input.

Another example is the Espanola hospital. Its board of directors has established a policy on education to ensure that all its members get access to conferences, education and training sessions, webcasts and so on, so that collectively they can have the shared knowledge and capacity to help make sound decisions with respect to new requirements in such areas as quality improvement.

Lakeridge Health Corp. has instituted a formal nominations committee for their board to determine vacancies and to establish criteria for preferred candidates, including skills, knowledge and interests which are needed to round out the current board.

These and other hospitals around the province are prime examples of best practices in governance, and the ministry intends to continue to support and encourage this positive commitment.

On the hospital oversight front, the auditor recommended skills-based boards; setting term limits for directors; clarifying roles and responsibilities for the hospitals, LHINs and the ministry; encouraging information sharing between LHINs and hospitals to assist hospital boards in working effectively with the LHINs; and, in conjunction with LHINs, developing processes to share findings of external reviews, such as those from peer reviews, investigations and supervisor appointments.

There are a number of tools and processes currently in place that address these matters.

On the topic of improved accountability, the ministry, with input from the LHINs and the hospital sector, has developed guidelines for health service provider audits and reviews. These guidelines were created: to foster and develop relationships and partnerships between LHINs and their service providers as a key to success; and to support collaboration in working to resolve issues and refrain from assigning blame or taking punitive actions.

The LHINs have undertaken several examples of regular—in some cases, monthly and annual—reviews, and work with hospital boards and all health service provider boards, which we hope to talk about with you in the question-and-answer period.

Being conscious of time, let me just conclude on the last page by saying that we continue to encourage good hospital governance practices, in keeping with enhancing the quality and value of Ontario's health care system. As the Auditor General found, effective leadership in hospitals will ensure the best possible patient care while operating efficiently and cost-effectively.

I'd like to reiterate that the ministry, along with the LHINs and other partners, is committed to addressing all the concerns raised by the Auditor General and to continue working hard to ensure that hospital boards are accountable, transparent and instill a culture of quality and value in their organizations to benefit Ontarians.

Thanks for the opportunity, and we welcome your questions.

**The Vice-Chair (Mr. Peter Shurman):** Thank you very much, Deputy Minister. Being conscious of time—I'll take it in a minute—we should have sufficient time for two 10-minute rotations for each party, and then five

minutes left over to give some instruction to our research person.

Let's begin with the Liberals. Did you have a question or did you want to go ahead?

**Mr. David Zimmer:** A question.

**The Vice-Chair (Mr. Peter Shurman):** Ten minutes; go ahead.

**Mr. David Zimmer:** My question is really for the governance expert. On page 4 of your remarks, Deputy Minister, the second paragraph: "In response to the Auditor General's recommendation, the government made changes to regulations under the Public Hospitals Act ... to minimize potential conflicts of interest on hospital boards. Specifically, effective January 1, 2011, hospital employees and medical staff are no longer permitted to be voting members of hospital boards." That's to eliminate the conflict of interest. But then it goes on, "The PHA was also amended to require the president of the medical staff, the chief of staff and the chief nursing executive to be members of the board." Of course, they're obviously hospital employees. The reason there was, "This change will ensure that boards have clear and direct access to clinical and management expertise."

If I'm a layperson on the board, on the one hand I get a message that hospital employees—chiefs of staff and so on—can't vote on issues before the board, but on the other hand their presence is required on the board because of their clinical and management expertise. I'm getting kind of a mixed message, because, as a lay member of the board, I have to be very careful; there's risk to me as a lay member of the board in not paying attention to expert advice. So I'm apt to say, "This is the expert, so I'll take the advice," and in effect vote on their recommendation, if you will. At the same time, we're telling these people, "You can't vote directly on it." It seems to me that that's kind of a confusing message.

**Ms. Carol Hansell:** It may be a bit confusing, I think, though, that sophisticated directors are used to understanding where management agendas may influence the recommendations. In truth, directors are entitled to rely in good faith on the recommendations and the analysis and data being provided to them by management. There's ample opportunity for the elected directors to meet in camera, to meet separately, to discuss amongst themselves the basis of the recommendations, whether they think there's an agenda there that they need to focus on.

In truth, members of hospital management are positively motivated and bring recommendations to the board that are in the best interests of the hospital. I believe that sophisticated directors understand the distinction that's being made and can work effectively within that system.

**Mr. David Zimmer:** My last question, just for a second, is that one of the great problems with boards is getting board members to understand the distinction between oversight responsibilities and drilling into operational issues, particularly in those situations where some of the board members in community hospitals have the idea, rightly or wrongly, that they're on the board to represent a particular community interest. They get on the

board and they are passionate about their narrower community interests and it often puts them in conflict with what's in the best interests of the hospital.

How do you go about training or teaching or sensitizing board members to their proper responsibilities: oversight, not operational?

**Ms. Carol Hansell:** I think that's a very insightful comment. It is almost irresistible for people who feel as though they're nominees of a particular constituency to want to represent that constituency in the boardroom. I think the message is important for directors to get that it's perfectly fine for them to articulate the views of their constituents in the boardroom; in fact, that's what they're there for. It's only when it comes to making the actual decision that they have to switch to acting in the best interests of the organization. I think that difficulty or that conundrum that people find themselves in is actually fairly well understood, and other directors tend to call people to task if they feel as though they're articulating the views of the constituency in the decision-making process as opposed to in the debate process.

0920

It's an important point, and all directors are required to act in the best interests of the corporation. It does require constant revisiting because of that impulse to want to do the best for the people who have put you on the board.

**Mr. David Zimmer:** Thank you.

**Mrs. Liz Sandals:** This may just follow along from that, then—and I think this is still for Ms. Hansell. The OHA has been working with boards with the skills-based matrix, and I wondered if you could tell us a bit more about that initiative in recruiting highly qualified board members.

**Ms. Carol Hansell:** The objective of the OHA is to encourage hospitals to have the appropriate complement of skills represented on their board, so the skills matrix is one tool that's used in order to identify, first of all, the skills that are currently present on the board; then you look at the skills that you feel you need and do a gap analysis to determine which skills are missing.

There is actually a very large contingent of people who are prepared to and are in fact anxious to serve on hospital boards. I think the call to public service, particularly in the health care sector, is very strong amongst the director communities. So I think the skills are available and the tools that the OHA provides provide an excellent methodology for getting to the appropriate skills on hospital boards.

**Mrs. Liz Sandals:** I'm not sure if you can directly feed back on that, but do you have a sense of how many of your member hospital boards are actively engaged in using that skills-based recruitment?

**Ms. Carol Hansell:** I wouldn't be able to give you the exact figure, but I would say that the skills matrix is one that's been commonly used in governance probably for 10 years. I think it's gotten to be a bit of a director instinct. The training that the OHA provides feeds into an existing acceptance of that approach.

**Mrs. Liz Sandals:** Okay. Thank you very much.

**The Vice-Chair (Mr. Peter Shurman):** Ms. Sandals, thank you very much. Is that it for the Liberals?

**Mrs. Liz Sandals:** We'll come again.

**The Vice-Chair (Mr. Peter Shurman):** That's fine. Progressive Conservatives, Ms. Elliott.

**Mrs. Christine Elliott:** Good morning, everyone, and thank you very much, Ms. Hansell, for the work that you're doing with the OHA. My question would be to Mr. Rafi. How do you intend to incorporate formally or informally the work that Ms. Hansell is doing with the boards?

**Mr. Sa d Rafi:** It's probably going to be a long answer, but there's several elements that I should highlight, starting with the changes that Mr. Zimmer referenced to the Public Hospitals Act and the representation on boards. We had a very extensive consultation exercise that I led with Tom Closson, head of the Ontario Hospital Association; Mark MacLeod, head of the Ontario Medical Association; and Doris Grinspun, head of the Registered Nurses' Association of Ontario, to come to an agreement amongst all of us as to who should be the best representatives, because of course doctors are not employees of hospitals, and yet one should have that input, but one shouldn't just presume it should come from doctors. So that's why we included a significant change by adding the chief nursing executive, who typically is an employee. That was a very intense exercise that led to the creation of the regulations.

In addition to that, though, we sponsor conferences with the OHA and vice versa on hospital governance and on the Excellent Care for All Act. There have been simulations, symposiums and webcasts, but perhaps more importantly the LHINs themselves, who have gone through their own good governance exercise, have created a good governance guide and tool kit for all health service providers.

LHINs have monthly meetings with all health service provider board representatives. Those are beneficial because typically in all LHINs, the hospital board representative is the more experienced and skilled because the hospital boards—I would say most—have invested in a skills-based approach to board director recruitment. So they bring value to other health service providers and vice versa. These fora take place across all LHINs. They might happen in educational sessions, they might happen in monthly discussions, they might happen quarterly.

But the piece about governance and how good governance drives integration is key. I would say that the ministry's hand in that has been on the tiller, as it were, to try to guide that work. In some cases, we sponsored it back in 2009 with respect to the good governance guide produced for LHIN boards because they're supposed to show leadership. They must emulate the successes that hospital boards have already had.

A long answer, but those are some highlights.

**Mrs. Christine Elliott:** My next question relates to one of the concerns expressed by the auditor: that there isn't really a mechanism for sharing information regarding reviews that may be done in hospitals, investigations

that may be done, just so that there's a sharing of best practices and maybe general information sharing. Could you let us know what your status is on dealing with that?

**Mr. Saïd Rafi:** There are three types of reviews that have been used under the Public Hospitals Act, and the auditor notes all three: peer review, investigators and supervisors.

Investigator and supervisor reports have typically been made public after being tabled with the Minister of Health and accepted, typically because if a hospital has gotten to that point, it's a matter of significance in that community. So it's a way to give back to the community what changes were made and why they were made. I'll take the work of Graham Scott—who is also a former Deputy Minister of Health, the former chair of a law firm and a governance expert in his own right—at Quinte hospital. He involved the community right away and got them to appreciate the changes that he was making in the board as a supervisor.

Peer reviews, which are typically—by their nature and by their title—done more as a bit of guidance and advice to the existing hospital management, I would readily admit have not been widely circulated. But typically, they are available in the hospital community—not necessarily publicly, because you're not at that stage of intervention.

We try to get these documents out, but in terms of best-practice information sharing, I lead a monthly meeting with the LHIN CEOs and my management team a day a month, and we talk about these issues. Yesterday we had our March meeting. We spoke about this presentation here, and they're very keen to make sure they're being profiled in a way that demonstrates their commitment to governance.

So information sharing happens in many different forms.

**The Vice-Chair (Mr. Peter Shurman):** You have about five minutes more, if you want to continue.

**Mrs. Christine Elliott:** Okay. One of the other concerns that has been expressed is with respect to community engagement processes, and I note that there is a document that has been produced. Can you tell me when it's going to be shared more widely?

**Mr. Saïd Rafi:** Can you repeat which document you're referring to here?

**Mrs. Christine Elliott:** The rules for community engagement; I see that they have been posted on websites and so on. Is there a plan for disseminating that information more widely? It doesn't seem to be really well known, and there seems to have been a lot of confusion in many communities about what community engagement means and the ways that the community can become engaged in that process.

**Mr. Saïd Rafi:** Thank you. I think there are two pieces, actually. The OHA has a website devoted to how community members and communities can get involved in hospital affairs. I think you might be referring to the LHINs' community engagement piece.

**Mrs. Christine Elliott:** Yes.

**Mr. Saïd Rafi:** They do have, on their website, their community engagement approach. I think that the variety and the variable nature of 14 LHINs, based on geography and population and various hospital and other health service providers, means that they are going to take their community engagement approach differently.

I would have to get back to you with some details on either dates or what the status of all 14 LHINs is with respect to their community engagement practices. I'm not as conversant right now with what they have done to roll that out, but I can get back to you on that if you wish.

**Mrs. Christine Elliott:** Okay, thank you. I appreciate that.

**The Vice-Chair (Mr. Peter Shurman):** Over to the NDP and Madame Gélinas.

**M<sup>me</sup> France Gélinas:** I'm guessing my question is for Ms. Hansell also, but if it's not, feel free to share it among yourselves.

The first question I had was more a comment that the auditor made in his report. Basically, it had to do with community corporate members. I understand that the great majority of hospitals have community corporate members, and they elect the board of directors of the hospital, and some use another way to get to their board of directors. Is there any comparison that you have through your work as to which one leads to better boards?

0930

**Ms. Carol Hansell:** I think the issue in the hospital sector is probably a bit different than it is in the private sector. The concern with what you refer to as an open board, where it can be elected by the community, is that constituencies can grow up within the community and basically exert influence over the hospital that feeds into a particular agenda as opposed to the greater good of the community from a health care perspective. So that's the concern.

The solution to that is to have a board of directors that basically re-elects itself, which seems instinctively to be non-democratic and therefore not the right way to go about it, but it does work. It works, and it's probably the best approach in the health care sector, because we have the ultimate oversight of the government. So that approach to electing boards of directors is not—it's done in some cases in the not-for-profit sector. It's certainly not done in the public company sector, but it is, in my view, the best way to go about it in the health care sector.

**M<sup>me</sup> France Gélinas:** What percentage of hospitals right now have community corporate members versus hospitals that don't?

**Ms. Carol Hansell:** I think it's about 20%.

**M<sup>me</sup> France Gélinas:** So 20% hold—which way does the 20% go?

**Ms. Carol Hansell:** So about 80% of the hospitals in Ontario have what I just referred to as an open board.

**M<sup>me</sup> France Gélinas:** Community corporate members and—

**Ms. Carol Hansell:** Exactly.

**M<sup>me</sup> France Gélinas:** And are there certain patterns in the 20%? Are they mainly bigger hospitals or teaching hospitals or rural or northern or whatever?

**Ms. Carol Hansell:** I'm not aware that it's a pattern, but I'll give you a good example of Toronto East General Hospital. When it went through its governance crisis, that was largely attributable to the fact that it had an open membership, and I think the perception is that the board had become quite polarized by various interest groups who had managed to gain representation on the board.

Once we went through the supervisor process and a new governance structure was established, it became a closed board system, if I can use that term, with a skills-based board, and it has been highly effective since it has come out from under the oversight of the supervisor.

**M<sup>me</sup> France Gélinas:** Okay. So of those 20% that will use the closed board—because I don't know how to label them—that use that system, then the existing board members go out on a candidate search and then select a slate and the positions are offered?

**Ms. Carol Hansell:** What will happen, if I can use Toronto East General as an example, when we're using the skills matrix that we discussed previously, when we have an opening and we identify a need for a new director, what we'll do is analyze what kind of skills we need. We typically use a search firm to help us to identify the best-qualified, most connected people to the hospital agenda available and then conduct interviews, invite people to join the board, and then we as a board would elect them. So it's a self-perpetuating process, the closed system.

**M<sup>me</sup> France Gélinas:** And are you seeing a shift toward this? Is it that the 80% that have community corporate members are happy with them and the 20% that have the other system are happy, or is there movement?

**Ms. Carol Hansell:** I think there's a growing shift towards the closed system. From a governance perspective, I think the general sense is that that is the more stable way to govern a hospital. You obviously can't take open situations and simply say, "Now we're going to close them." It takes a lot of socializing the issue, and sometimes it takes a crisis to precipitate moving towards what in my view is a more stable system.

Did you want to—

**M<sup>me</sup> France Gélinas:** Go ahead.

**Mr. Sa d Rafi:** I would just add on that point. I think the OHA and the OMA have done a really good job in providing advice, which I think the auditor recognizes in his 2008 report on page 309, especially the OHA's report and work on hospital governance and accountability in Ontario, where they've tried to make clear to all hospitals and hospital boards that representative appointment of board members, as the auditor says, based on specific interests is inconsistent with recognized best practices, because it can create a real or perceived conflict of interest, as Ms. Hansell said.

I would also agree that it does take time to work through that. But when they go out to look for community members, I think many hospitals are also trying

to guide the community representatives to look for those among them who have not only an interest but also skills, some training and some willingness to receive that type of input. I think the glass is very much past half-full in regard to change in that way.

**Ms. Carol Hansell:** If you don't mind my just correcting, I have some additional information. I'd just flip those numbers that I gave you. About 75% or 80% adopt the closed membership approach that I described as being the more stable. So the movement has been very definitely toward the closed membership. I'm not sure if you were asking about open board meetings, though—

**M<sup>me</sup> France G linas:** No, not open board meetings. I'm talking about nominating of members. So the correct answer is, 75% of hospitals in Ontario now have a closed nomination process on the boards?

**Ms. Carol Hansell:** That's correct.

**M<sup>me</sup> France G linas:** That's a big switch. We went from 80% of hospitals—

**Ms. Carol Hansell:** Yes. I don't have the statistics in front of me. I'm not the keeper of the numbers.

**M<sup>me</sup> France G linas:** Okay, no problem.

My other question has to do with the comment the auditor put in his report back in 2008 that said two thirds of the boards felt they were doing a good job at evaluating their CEOs and one third didn't. I think we'll all agree that one of the functions of a board is to hire, supervise and give feedback to the CEO. How are things working out? The data is almost three years old. Is it better? Are one third of the hospitals out there still struggling with supervision and evaluation of their CEOs?

**Ms. Carol Hansell:** Without being able to quote numbers to you, I think that more and more hospital directors are comfortable with their ability to evaluate the CEOs and the management team, and that's largely as a result of the educational programs that are sponsored by the Ontario Hospital Association.

I think the challenge for many private sector directors, when they come to sit on a board of a hospital, is that while they bring with them a wealth of experience and knowledge about governance and about running businesses, they don't necessarily know a lot about health care. So the educational programs sponsored by the hospital—the in-house education systems or programs offered by the hospital itself—as well as the outside programs offered by the Ontario Hospital Association are actually quite important in getting directors comfortable enough to know what the metrics should be, what the issues are that they should be pushing on and what the challenges are that face a hospital CEO. When you understand, for example, that the doctors don't work for the hospital, that's a pretty big change from what people are used to in the private sector. You really need to get their minds switched over into the health care way of thinking in order for them to be effective in monitoring, evaluating and incentivizing their management teams.

**Mr. Sa d Rafi:** It's also fair to say that over 90% of the chairs responding to the survey indicated that their CEO's most recent evaluation compared actual perform-

ance with expectations. So 90% said that they did some evaluation against expectations. Almost all board members responding to the survey indicated that evaluating hospital management performance was an important part of their role.

What you've quoted is to say that 63% of members strongly agreed. Oftentimes, when one reports survey results, you would look at "strongly agree" and "agree"—in other words, those in the "agree" category—so I'd have to believe that that would be the majority, beyond 63%. I see that as a very positive indicator that hospital boards have reached the point of sophistication of other boards in other sectors, including the not-for-profit sector, where there are some very notable examples of very sophisticated governance models. One example I have some familiarity with would be the Metro Central YMCA board.

**The Vice-Chair (Mr. Peter Shurman):** Over to the Liberals, Mr. Zimmer.

**Mr. David Zimmer:** This is sort of a looking-into-the-future question. This morning in the Globe or the Star, on the first page, there was an article about how one of the hospitals in the London area, the London Health—

**Ms. Carol Hansell:** Network?

**Mr. David Zimmer:** —Network, whatever, was responding to—I mean, all hospitals and hospital boards are under great pressure now. They're always under the microscope and so forth and so on. They have to manage in that pressure cooker, under-the-microscope world.

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But they are finding increasing pressures now because of this whole social media stuff. Folks in a community or employees within a hospital have an issue or they're upset about something, or they think things should be this way or that way, and with social media—Twitter, BlackBerry, email—a whole campaign gets started.

The story said that, as an exercise in management, the hospital up in that area was struggling with how they were going to respond to this additional, instant pressure, being instantly under the microscope and having to respond to these social media campaigns, which can raise an issue out of nowhere and in a couple of days—overnight, literally—there are huge pressures on management to deal with these issues.

As a governance expert and to the deputy minister, do you see challenges there developing?

**Ms. Carol Hansell:** The social networks, I think, are presenting challenges to all of us in all aspects of life, but I can tell you that at Toronto East General, the approach is to make sure that the hospital knows what the patient thinks as early on in the process as possible. There are some very interesting innovations in team meetings and in team huddles to make sure that the entire medical team knows what's going on with the patient at various points in the day. There's a very rigorous program of phoning the patient after discharge to check and see what the hospital experience was like. All of those matters are reported up to the board, and the responses and remedia-

tion, if anything is necessary, go through the full cycle of governance.

So I think sensitivity to the nature of the immediate need of the patient, and to make sure that it's being fed properly into the communication process in the hospital—you're not going to change social media, but the important thing is for the hospital to know and to respond to what the patient is thinking.

**The Vice-Chair (Mr. Peter Shurman):** Over to—sorry. Do you have more, Mr. Zimmer?

**Mr. David Zimmer:** I think the deputy had a comment.

**Mr. Saäd Rafi:** I have a very long answer on this and its impact on public policy. All of you know the impact of multimedia with respect to governing and providing value to your constituents. The Globe reports on blogs. Print journalists post stories at 3 a.m. There is no news cycle; it is a news cycle constantly.

I don't think this is unique to hospitals, as Carol has more eloquently indicated, but I do think that protocols, as she has also said, are critical to make sure that the right information is given, such that those with agendas—advocacy organizations, as an example in the story reference—are not necessarily influencing the entire discourse, particularly on a very sensitive subject such as the one that you referenced in the Globe today.

However, I won't bore you with my other views on multimedia.

**Mr. David Zimmer:** Will there be specific training on managing social media pressures as a part of board management skill sets or tools?

**Mr. Saäd Rafi:** Go ahead.

**Ms. Carol Hansell:** I think that's an interesting idea. I think ultimately it will be integrated. I'm not aware of specific initiatives at this point in time, but it's a great point.

**Mr. Saäd Rafi:** Yes, and I think most organizations put operational leaders in front on particular issues' management, because board members would not be conversant with the operational needs or the care needs, especially in a hospital. But the sophistication in the hospital sector in Ontario with respect to its communications abilities and with guidance from the OHA, I think, is first-rate.

**Mr. David Zimmer:** Thank you, Chair.

**The Vice-Chair (Mr. Peter Shurman):** Can I take Chair prerogative and just make a comment—and if you want to respond to it, that's fine—on social media? There are privacy issues as well, so from a confidentiality perspective, board members would need to know that what happens in the boardroom stays in the boardroom, to coin a phrase, and that kind of training, I think, would be useful.

**Mr. Saäd Rafi:** I agree, absolutely. I'm pretty certain that the strictures of the Public Hospitals Act, the Personal Health Information Protection Act and—there's a couple of other acronyms I can't remember that have to do with hospital and patient information. That is a key

part of training, not only for management, but obviously for boards, as you say.

**The Vice-Chair (Mr. Peter Shurman):** Thank you. Mrs. Sandals.

**Mrs. Liz Sandals:** I just wanted to touch on something new that's coming up under the Excellent Care for All Act, which is this whole idea of having a quality committee as part of the board and a quality improvement plan being posted annually—and presumably, progress on the quality improvement plan.

I was wondering—both Deputy and you, Ms. Hansell—if you could comment on how the implementation of that is going, because that's a new idea. Presumably you both would be interacting with boards to help them know what the expectations are and how to implement it.

**Mr. Tai Huynh:** The implementation is ongoing right now. The legislation, the Excellent Care for All Act, passed in June. We put regulations in place that took effect January 1, 2011, so all hospitals across this province, all 154, are now required to have quality committees. The regulations are very clear on who should be on a quality committee as a minimum.

All hospitals are now embarking on the process of developing quality improvement plans. They need to have those plans ready by April 1, 2011. So by that date, all 154 hospitals would have quality improvement plans in place, made publicly available, and hospital executives will be held accountable, through pay-for-performance or pay-at-risk, for meeting those objectives.

**Mr. Sa  d Rafi:** And in addition we have provided, again, to the Ontario Hospital Association and developed with an expert panel the key indicators that should go into a quality improvement plan. Right now hospitals have accountability agreements with their LHIN that establish some of those same indicators, so we have tried not to duplicate efforts, but also tried to embellish the quality of the quality improvement plans.

Health Quality Ontario, which is a new organization that the government has created and is an expansion of the Ontario Health Quality Council, will do the reporting and the monitoring of performance against those quality improvement plans. That will get posted such that you, as an individual, will be able to see the quality measures and the responsiveness of every hospital against patient surveys, provider surveys, their values and their quality indicators as well.

So it isn't just something that we have put as a burden onto hospitals. We've tried to really work hand in glove with the association and with experts in the field of quality. Dr. Bob Howard, for example, is a notable one.

**Ms. Carol Hansell:** The point that I'd like to make is that the quality committees aren't really necessarily new. I think part of the reason that the Excellent Care for All Act will be effective is because it doesn't necessarily invent new governance concepts; it pulls out of the hospital community what were perceived as being the strongest governance tools available. For example, at Toronto East General we already did have a quality committee, and I happen to be the chair of that com-

mittee. So a couple of tweaks, frankly, were all we really needed to make to come onside with the act.

The quality committee approved our quality plan at our meeting about 10 days ago and it will be going forward to our board in time for approval in April. The exercise, I think, was a very positive one from the hospital's experience; it's not entirely new, but taking on board the new aspects of that approach that have been introduced through the legislation has been a very positive experience.

**Mrs. Liz Sandals:** And what sort of indicators—not just specifically in East General's plan—would the public expect to be seeing embedded in those plans?

**Ms. Carol Hansell:** We, as many other hospitals do, have a balanced scorecard that is published. The indicators that are in those plans reflect the reporting that's required by the ministry, by the LHINs and, actually, by our own strategic plans. So all of the indicators that are mandated, as well as the ones that we think are important for monitoring the operation of our own hospital, given the specifics of its issues, are incorporated into the balanced scorecard, which is made public.

**Mr. Tai Huynh:** Just to answer that, the ministry worked very closely with the hospital sector, as well as the LHINs and the Ontario Health Quality Council, to establish a core set of indicators for this round of the quality improvement exercise. The indicators span four key domains of patient safety; so indicators like hospital infection rates, C. difficile etc. are all part of that domain.

We've got indicators on effectiveness that measure mortality rates, like HSMR, as the deputy mentioned earlier. We have measures of access that include ER wait times and, more importantly, in my opinion, measures of patient satisfaction, patient feedback. Those are all core indicators that are part of the quality improvement plan. We expect hospitals to be developing improvement plans corresponding to those indicators.

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**Mr. Sa  d Rafi:** I'd like to emphasize the one that most people forget about, and that's financial probity. It is a key indicator of quality.

**Mrs. Liz Sandals:** Thank you very much. That's very helpful.

**The Vice-Chair (Mr. Peter Shurman):** Progressive Conservatives, back to Ms. Elliott.

**Mrs. Christine Elliott:** I also have a question regarding the implementation of the Excellent Care for All Act, and that relates to the tying of executive compensation to the achievement of some of the performance goals. Could you give us some indication of where that is? I know that there has been some concern expressed by some of the hospital boards about how they're doing vis-  -vis some of the other hospital boards.

**Mr. Tai Huynh:** Sure. Much like what Carol mentioned around the quality committee, these are long-standing practices within the sector among many hospitals. Many hospitals do have pay-at-risk for their executives, so for those hospitals this is a mere reflection of what's been going on in terms of best practice. There's a small segment of hospitals that do not have any sort of

pay-for-performance scheme or pay-at-risk scheme, and those hospitals have been some of the ones that are facing some challenges in terms of moving from their current compensation structure to one that's contingent upon achievement of quality improvement goals. So that's where some of the difficulties or challenges have been coming from.

The act itself is very clear that hospitals need to have that in place corresponding to the quality improvement plan. By April 1, for the next fiscal year, all executives—not just the CEO, but members of the senior management team that report to the CEO—will have to have a certain portion of their pay at risk for achieving the goals and targets set out in the plan.

**Mr. Sa  d Rafi:** But I would also hasten to add that what we were careful to do, we think, was to allow the hospital board, in its own responsibilities with its relationship with management, to determine the percentage amount and how much it would put in terms of emphasis. As you would well know, many performance or pay-at-risk plans have a combination of factors or a matrix in place in terms of overall organizational performance and individual performance. There is a fair bit of discretion there under the requirement for the hospital board, depending on the nature of the board, the size of the board, the issues in that community etc. So it tried to strike the right balance.

**Mrs. Christine Elliott:** If I'm understanding it correctly, would you say that the majority of hospital boards already have something in place? Is it a small group that you're really dealing with here?

**Mr. Sa  d Rafi:** Again, specific indicators of quality, I don't know. But I would say most hospitals where there is a pay-at-risk plan for their executive definitely have, as part of their performance evaluation process, a fairly sophisticated approach to examining both the performance and the pay-at-risk.

**Mrs. Christine Elliott:** I've also just been reviewing the summary status table that you've provided us with, with respect to the province-wide training program on governance, and I see that you've got sessions scheduled between March and May. I wonder if—I'm not sure if it's Ms. Hansell—who could speak to that, or if you could speak to the finalization of the program and how that's going to be rolling out in those communities.

**Mr. Tai Huynh:** Sure. The intent there is that it's a ministry-sponsored initiative with the primary intent being to educate boards across the province in patient safety and quality, two major areas of focus for us under Excellent Care for All. That program is being rolled out across the province, and the expectation is for all 154 hospitals to sign up to attend those sessions. We try to make it as accessible as it can be. Rather than being staged here in Toronto, like most things are, we are actually bringing it into the communities to encourage as maximal participation as possible through those five regions.

The faculty is an elite group of patient safety and quality improvement experts. The program itself is built

on a program that was developed by the Canadian Health Services Research Foundation, and it's well regarded. It's internationally renowned. We're building on best practices here, and we believe that's going to set the stage for all of Ontario's governors to be on the leading edge of governing for quality and safety across the country.

**Mrs. Christine Elliott:** So they're all scheduled now? You've got the dates for each community?

**Mr. Tai Huynh:** Yes, that's right.

**The Vice-Chair (Mr. Peter Shurman):** Madame G  linas.

**Mme France G  linas:** When my first rotation ended, I think Mr. Tai Huynh wanted to comment a bit. At the time I was talking about boards assessing CEO performance, and you were about to say something, but we ran out of time. Did you want to add to it?

**Mr. Tai Huynh:** I think we just went through that around the executive compensation. Through the framework that's been established through the Excellent Care for All Act and its regulations, there's a bit of standardization around how boards can assess their executives for performance. It has to be tied to core improvement plans, there's a core set of metrics etc. So we believe that's going to push the envelope even further in terms of board evaluation of executive performance.

**Mme France G  linas:** My next question has to do with term limits for directors. This is an issue that the Auditor General brings forward as being part of good governance. Do any of you have comments regarding whether this should be embedded in law or regulations? Is it already being done? Do you agree that it's part of good governance?

**Ms. Carol Hansell:** I think to a large extent it is already done being done.

I'm not necessarily a fan of embedding all aspects of governance into laws, because laws are necessarily inflexible and you're not able to take into account the particular needs or the unique circumstances of an individual organization. I think that using the approach of what I would refer to as "generally accepted governance practices" articulated through organizations—in particular, the Ontario Hospital Association—to provide guidance to hospitals and their boards as to what effective governance is, and then reviews and basically peer standards to ensure that good governance practices are being followed, is far more effective.

**Mr. Sa  d Rafi:** We have leaned toward the reliance on best practices on guidance from the Ontario Hospital Association. I would agree with Carol that ensconcing some details like that into legislation would probably mean that we would have the GTA standard across the province. There are some practical limitations in certain hospitals with respect to the level of community availability, the time people can devote. It's hard to have a one-size-fits-all, given the 154 corporations that exist in Ontario amongst hospitals. They vary quite dramatically. So we have leaned toward trying to provide and keep the corporations legislation requirements for minimum and

maximum number, but rely on best practices and provide that flexibility.

**M<sup>me</sup> France Gélinas:** Right now, if you were to do training, what kind of term limits do you suggest?

**Ms. Carol Hansell:** I think it depends a bit on the size of the hospital and the circumstances. But if I can talk about Toronto East General Hospital, we have a limit of three three-year terms. I think for an organization of that size, you want people to be committed for a minimum period of time. You don't want people kind of rotating on to boards for the board experience and then getting off before they're really able to make a meaningful contribution, but you want to have some end period to it.

I would say that getting people to commit for between two and three years is an absolute minimum, and then asking them to find some other activities and moving them off the board somewhere between eight and 10, is probably the right number for an organization of that size.

**M<sup>me</sup> France Gélinas:** The next comment kind of shows the ministry under not the best light, but I'm not about laying blame. I have a question, and I'll read from a report. It says:

"It is an established practice that when the auditor tables his annual report, ministry auditees ... receive a letter from the committee clerk asking for a response to the auditor's recommendations, setting out the ministry's action plans and timetable for addressing the auditor's concerns.

"In June 2009, the committee clerk sent this letter to the acting deputy minister of Health and Long-Term Care.... A response was requested by August 24. It has been determined that the committee clerk received no response from the ministry."

I'm not here because I want to blame you for not having responded. I'm more curious about, do you see a usefulness in this? We all know that the auditor will go back after two years and he does a follow-up on all of his audits. We have the clerk who sends those letters and asks. Is this something useful? Is this a one-off that got forgotten? What is your view on this practice?

**1000**

**Mr. Saäd Rafi:** First, I can't accept any blame because I wasn't in the role—

**M<sup>me</sup> France Gélinas:** Fair enough.

**Mr. Saäd Rafi:** —and I'm not an apologist for my predecessors.

Second, I can say that we have rededicated and recommitted to be responsive to the time limits that your committee has asked of us for information. I'll continue to speak frankly in front of the committee and say to you on your question, with the opening you've provided me, on the usefulness of that, if you deem it to be of necessity to have that information, then I deem it to be useful. However, I would suggest that some of these questions, in the context of the subject of health and long-term care, are not, "Yes; no; one; five; six; 11." There are 154 hospitals. You'll recall that at estimates we had some very

sophisticated, very detailed requests that cut across the entire sector, broken down hospital by hospital.

If we had buttons we could push to regurgitate that information, you would have it in the same real time. I appreciate that it's 2011, but we do not have that. So I would ask the committee—and I thank you for the opening—to bear that in mind when making very voluminous and sophisticated requests, and, I would dare say, not just this committee but other committees of the Legislature. That certainly is not in the deputy's manual, but I appreciate you allowing me the opportunity to respond.

*Laughter.*

**M<sup>me</sup> France Gélinas:** Fair enough. I had opened the door; I wanted your opinion. Thank you. No more questions, Mr. Chair.

**The Vice-Chair (Mr. Peter Shurman):** I see a hand over here. I just want to remind the committee: It's 10 o'clock; we don't have time for additional 10-minute rotations. What I'd like to do is go around the room. If you have a two-minute or three-minute wrap-up, we'll do it and then we'll go into closed session. Mr. Zimmer of the Liberals.

**Mr. David Zimmer:** This is a wrap-up, or a quick question?

**The Vice-Chair (Mr. Peter Shurman):** This is wrap-up. If you have two minutes, fine.

**Mr. David Zimmer:** All right. I'll wrap it up with this quick question, coming back to stakeholder input on the hospitals: Right now, community stakeholders are elected to the board, and that's where they bring their community input. There may be a school of thought that says that community input is better directed to or taken in by the LHIN so that the LHIN can absorb the community input in the broader context of LHIN responsibilities. Do you think that stakeholder input should go directly to the board or to the LHIN?

**Mr. Saäd Rafi:** I think you have to strike the right balance. What I'm going to say may look like equivocation, but one LHIN is not the same as the other. Again, related to the term limit question, actually, and Ms. Elliot's question about community engagement—I had a bit of a mental block and I've sort of elucidated a little bit more on that question. The Ombudsman reported that LHINs should have more public reporting on their community engagement, and now that is being posted publicly as to how they're engaging their communities. At the LHIN level, you have several communities; not just health service providers but then, of course, the broader community and communities of interest.

I think hospitals, too, need to benefit from that input. Some of that depends on the nature of the hospital. For example, you might have the person who is head of the voluntary committee. I'll take a hospital like Sick Kids here on University Avenue: They have thousands of volunteers. That's very, very important to every hospital. They deem it to be very important to them, and so they have the head of their volunteer association—I'm not getting the right nomenclature—as an ex-officio, non-voting member of their board. I think every board must exercise its judicious approach to that.

Carol would probably have views as well.

**Ms. Carol Hansell:** Organizations are a bit like families; they're all different and they all have different needs, and we have to be responsive to those. I'd be reluctant to be siloing the way in which communities can interact with the health care system. Where it works for the community and for the hospital to have that input coming in directly, that's terrific. The LHINs were obviously there for a similar purpose. I think we can, as was already said, strike the right balance if we're mindful of the different needs of different communities or organizations.

**Mrs. Liz Sandals:** May I just add a comment?

**The Vice-Chair (Mr. Peter Shurman):** You have a quickie? Go ahead.

**Mrs. Liz Sandals:** Having come from doing some rural and northern consultations, I think the observation that LHINs are very different is absolutely crucial because, if you think about the two northern LHINs, North East and North West, what the LHIN might get as input could be completely different from what you would get as community hospital input, which is much more localized. In those very large geographic LHINs, it's important to be able to drill down into local communities to get the input.

**Ms. Carol Hansell:** I think that's right.

**The Vice-Chair (Mr. Peter Shurman):** Ms. Elliott, anything final?

**Mrs. Christine Elliott:** I have no further questions. I'd just like to thank you all for appearing before the committee today. We're really grateful for the work that you're doing, Ms. Hansell, with assisting the ministry and the hospital association.

**The Vice-Chair (Mr. Peter Shurman):** Madame Gélinas?

**M<sup>me</sup> France Gélinas:** I think I already know the answer, but I'll give you the opportunity to say it for yourself. You've made it clear that you don't think that governance issues should be in laws or regulations because of the need for flexibility. Are there any issues right now where you would like a change of law if you could rewrite it the way you want it? Specific to governance; let's limit ourselves to governance.

*Interjections.*

**The Vice-Chair (Mr. Peter Shurman):** What do you think of life, in 25 words or less?

**Ms. Carol Hansell:** I think there are a lot of different ways of looking at an issue from a governance perspective. While there may be things that I would have done differently if I were writing the legislation, I think where we currently are with governance legislation in the health care sector is completely workable. With the guidance of organizations that are spending a lot of time on education and developing templates and trying to make boards more effective, I think we'll all be able to manage with the changes that have been made recently.

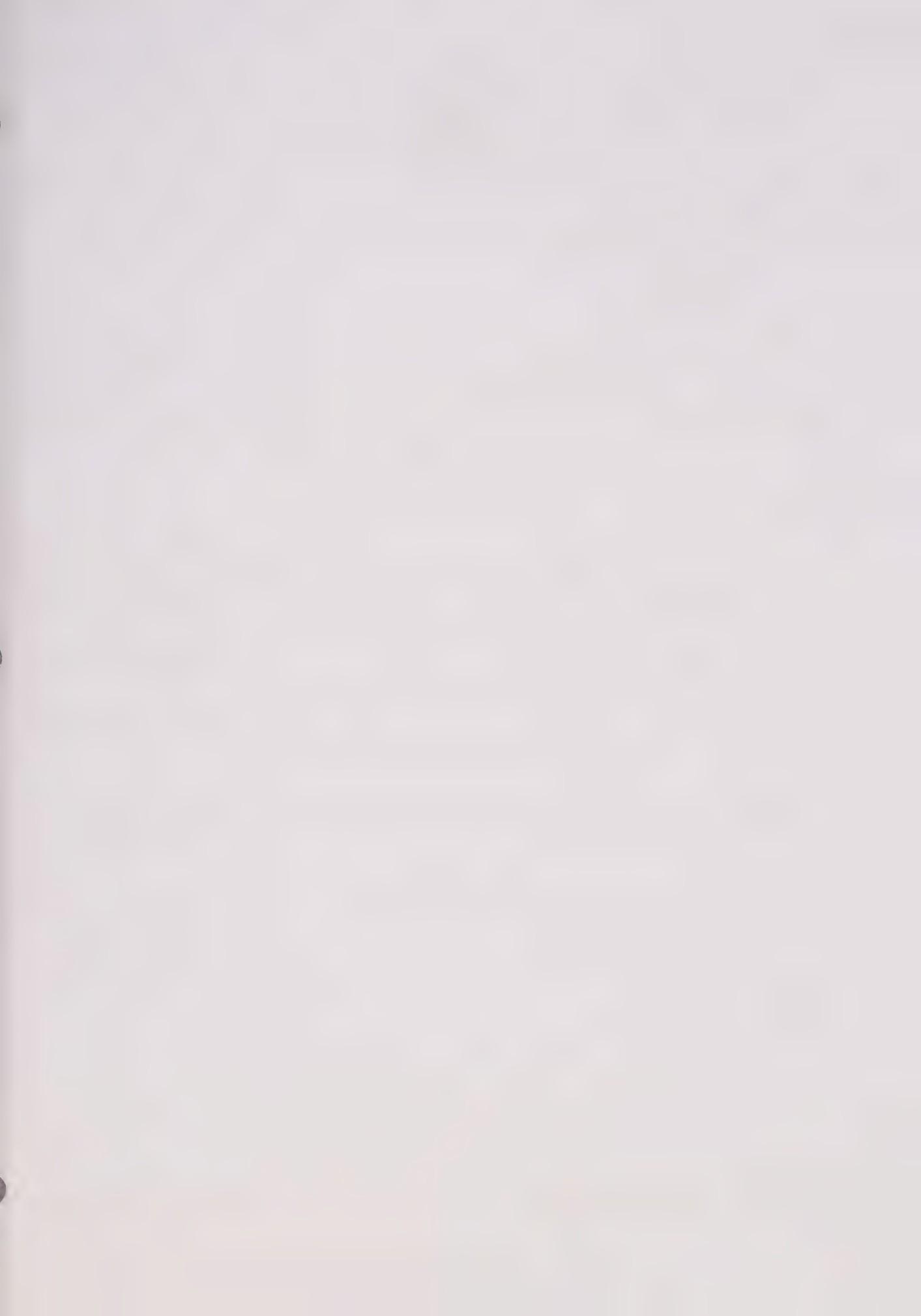
**Mr. Saïd Rafi:** Just for the record, I would say that it's my personal view, and I think it's the view of the government, that regulatory and legislative instruments to address governance needs in hospitals are an appropriate tool or instrument of government, but I think striking the right balance within that and not codifying things that might need some flexibility across geographies and size, scale and scope was the distinction I was hoping to draw.

**M<sup>me</sup> France Gélinas:** Thank you, and again, thank you very much for coming this morning.

**The Vice-Chair (Mr. Peter Shurman):** Thank you all. That concludes our open session.

*The committee continued in closed session at 1006.*





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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTS

Wednesday 9 March 2011

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
COMPTES PUBLICS

Mercredi 9 mars 2011

*The committee met at 1234 in committee room 1, following a closed session.*

2010 ANNUAL REPORT,  
AUDITOR GENERAL  
MINISTRY OF FINANCE

Consideration of section 3.08, Municipal Property Assessment Corp.

**The Acting Chair (Mr. Jerry J. Ouellette):** I call this meeting to order. We're here to review a presentation on the Municipal Property Assessment Corp.

Just to explain the process and how it'll unfold: We'll give you an opportunity to make a presentation. After such time, the parties will be allocated equal time between the three parties for questions and answers, beginning with the official opposition. We usually start off with 20-minute timelines. We're very fair and reasonable, as predetermined by myself, and—yes, that was a little joke—we'll probably wrap up at about 14:45 of the clock, at which time we'll go into closed session to determine the further direction of the entire committee.

Before beginning, if you could identify yourselves for Hansard, it would be appreciated. We'll give you the time to begin. Once again, thank you for coming before us.

**Mr. Peter Wallace:** Peter Wallace, Deputy Minister of Finance and secretary to treasury board. I have with me two officials from the ministry: Allan Doheny, assistant deputy minister for the provincial local finance division, and Diane Ross, a director from the same division.

**Mr. Dan Mathieson:** Mr. Chairman and members of the committee, for those who don't know me, my name is Dan Mathieson and I am the chair of the Municipal Property Assessment Corp. I assumed this role last September. I was first elected to Stratford city council in 1995 and have been the mayor since 2003.

I'm sure many of you know the gentleman to my right, Carl Isenburg, MPAC's president and CAO, who is with me today. Carl began his career in assessment in Ontario 38 years ago and was appointed CAO of MPAC in 2004. He will be responding in detail to the Auditor General's report and recommendations. But before he begins, I would like to provide you with an overview of MPAC and some of my impressions of the organization, both as a business person and as an elected member of municipal council.

In my short months as chair of MPAC, I've been very impressed with what I have seen. This is a very professional organization, from field staff right through to corporate headquarters. Its staff is dedicated to what is often the thankless job of accurately and equitably assessing more than 4.8 million properties across the province, and I emphasize "accurately and equitably," for those are the foundations of assessment.

MPAC is one of the largest assessment jurisdictions in the world, and it is seen as a leader and a model by countries around the world. For example, China recently sent a delegation to Ontario for a year to review how we assess properties here. Independent reviews, both commissioned by our board of directors in the past two years, have confirmed that our models for assessing property in Ontario are accurate.

As the Auditor General notes, the Association of Municipalities of Ontario—which, incidentally, recommends my name to be on the board—says that municipalities are generally pleased with the assessment roll information MPAC provides. As well, property taxpayers also appear to be generally satisfied. They've accepted our assessments more than 97% of the time.

Regularly, we conduct information—and this is new study information that we've just received—regarding customer satisfaction surveys of provincial stakeholders, municipalities and property taxpayers. We use Ipsos Reid, an independent research organization. The most recent survey, done late last year, shows that almost 80% of property owners who contacted MPAC are satisfied with our customer service; almost 85% of municipalities rate their overall satisfaction with the assessment rolls and tax files as "very good" to "good"; and over 95% of MPPs, school board officials and provincial ministry officials rate their overall experience and satisfaction with MPAC as "satisfied."

There is much room for improvement, as we strive to always improve our lot with our stakeholders. We have accepted all of the recommendations in the Auditor General's report, with no reservations. We believe that the recommendations will make a very good system even stronger and better. While we recognize that improvements can and must be made, I can say without any hesitation that MPAC is an impressive organization and one that we can be proud of in Ontario.

I'll now ask Carl to provide you with a detailed overview of our progress in implementing the Auditor General's recommendations.

1240

**Mr. Carl Isenburg:** Thank you, Dan. Mr. Chair and members of the committee, I also would like to introduce several colleagues who are with me today. First is Larry Hummel, vice-president, valuation and customer relations business properties. He has 39 years of experience in assessment and appraisals. We've been in this business together for some time. Gerry Stuart is vice-president, corporate planning and services, and Antoni Wisniowski is our vice-president of information technology. They will be able to provide additional information, if needed.

I want to begin by reiterating that we welcome and agree with all nine of the recommendations made by the Auditor General in his report. We have completed a number of them and are on track to implementing all the recommendations by the end of this year. I believe that you have a detailed summary status table of the progress that we have made to date on each of the recommendations, and I will be happy to respond to any questions.

I'd like to take a few minutes to talk about our approach to assessment in general, and then focus on some of the Auditor General's findings.

As the Auditor General notes, our primary responsibility is to prepare an annual assessment roll for each of the province's 444 municipalities. The purpose of the assessment roll is to determine the allocation of the municipal tax burden across properties and taxpayers. Both the accuracy of assessed value for any single property and the equitable assessment of similar properties are crucial to getting the allocation right.

To do this, we assess more than 4.8 million properties. We do this every four years. This includes about 4.4 million residential properties, all at their current market value. In non-assessment-update years, we prepare and mail about one million property assessment notices a year, for a variety of reasons. In particular, we prepare property assessment notices for new properties that have just been occupied and for properties where renovations, additions or demolitions have taken place that will change the market value of a property. We also send out notices when the ownership has changed.

The Auditor General is correct when he says that it is reasonable to expect that each property will be assessed within a range that is reasonably close to its market value.

What is market value? To begin with, it is important to recognize that it is a range of value, not a singular number. As you all may have experienced in your own real estate transactions, a seller sets a value at which they would like to sell a property, as well as the minimum value at which they are prepared to sell that property. Similarly, a buyer sets a maximum value at which they are prepared to purchase a property, as well as a price at which they would like to purchase the property. Most likely, the sale price between a willing buyer and a willing seller under these conditions lies between the seller's

minimum value and the buyer's maximum value. MPAC uniformly assesses properties in the middle of this range. MPAC is committed to ensuring that every property in Ontario is assessed accurately and equitably.

We also recognize that in assessing more than 4.8 million properties, mistakes can be made. If an error has been made, we want to get it right—not at the highest value or the lowest value, but at the right value. This is why I can say with all sincerity that we welcome the recommendations. The auditor has pointed out a number of areas in which we can and should be doing a better job.

With that introduction, I would like to address the specific comments made by the Auditor General in the report and some of the updated information that we have included in the progress report shared with the committee.

First, we completely agree with the Auditor General that we need to do a better job of investigating sales on a more timely basis. When a sale occurs, MPAC needs to determine whether it is an open market sale. Not all sales are conducted as an open-market, arm's-length transaction between the willing buyer and the willing seller and therefore are not appropriate for use for assessment purposes. For example, distress sales, or sales to a friend or relative, can all lead to a sale price that is lower than a property's true current market value.

Unfortunately, MPAC provided the Auditor General with a number of sales that had been incorrectly identified as open market sales. MPAC has investigated 1,307 of the 1,400 sales noted in the Auditor General's report. Where the sale price was below MPAC's assessed value, we confirmed that approximately 25% were not actually valid sales. In figure 5, the Auditor General lists five properties that sold for significantly less than their assessed value. MPAC's investigation of these determined that, in fact, that was the condition in most of these cases. This would be sales between family, distress sales or abutting-neighbour sales.

There is also a natural randomness to the real estate market. The same property will sell for more or less, depending on the motivation of the buyers and sellers. MPAC cannot assess properties at their individual selling price, but we also ensure that the assessments are equitable. If five homes with the same physical characteristics sold within a specific range that was close to their assessed value and one did not, it would be incorrect and inequitable to change the assessed value on that specific property to better align it with its selling price.

In the case of sales above the assessed value, the cause is usually that new construction or a change to the property was not reflected in the assessment prior to the sale. In the majority of cases, the assessed value which MPAC had at the time of the sale was for a vacant lot, and the sale price was for a developed property. In these cases, MPAC would have corrected the assessed value as soon as the construction was complete and we had occupancy information. The assessment would have been added to the assessment roll. In a number of other cases, improvements had been made to the property without a building

permit, and the sale would have been MPAC's only trigger to investigate.

We investigated 1,307 properties. We found that there was no change to the assessed value of 720 of those; 126 assessments were reduced by a median amount of \$14,250, or about 8%; and 461 assessments were increased by a median amount of \$41,000, or 16%. These results were consistent with our experience with previous sales investigations.

Further, the most recent province-wide assessment update in 2008 shows that 97% of Ontario residential property taxpayers did not challenge their assessment. Of the 4.4 million residential properties, requests for consideration were filed against 138,000 of them, or about 3%. Following our review, we reduced approximately 40% of those assessments where they had asked for a review. In about half of those cases, the reductions were made as a result of missing or out-of-date data in our files. The other half were with further reviews or the result of local market adjustments. Assessments on the remainder of the properties remained unchanged. From our first assessment update to today, the number of assessment complaints has declined significantly.

All this being said, our detailed review of the auditor's findings reinforces the importance of timely sales investigations, on which MPAC has taken a number of actions. For the next province-wide assessment update in 2012, we will be validating sales from 2009 to 2011 through a variety of ways, including physical inspection and sales questionnaires. We've determined thresholds in each of the market areas across the province based on the assessment-to-sale ratios to prioritize the level of sales investigation. In each area, the greater the difference between the assessed value and the sale price, the higher the level of investigation. We're also reviewing and updating our performance standards to ensure that sales are investigated in a timely manner. We are committed to doing a better job of this aspect of our operations.

We also agree with the Auditor General that we need to find better ways to get information from municipalities about when work on building permits has been completed. For a number of years, we have asked, and worked with, municipalities for this information. To date, we receive occupancy information from 24 municipalities. As a result, we must spend significant resources tracking the progress of building permits, a number of which are delayed or simply remain incomplete.

#### 1250

Adding assessment for new construction to the property tax rolls is a key focus for MPAC. We normally add about \$20 billion in new property assessment to the rolls each year as a result of new construction or renovations. Last year we had a record \$28.4 billion.

However, as the Auditor General points out, some assessment did not get added to the roll within the statutory period. In his summary, the Auditor General highlights 18,000 building permits where we did not inspect the properties within the statutory period for reassessing properties and levying the tax. He also notes that in

almost half of these situations, work had not been completed on the permit and could not be added to the roll.

However, in the balance of cases work was completed; we had not processed them within the statutory limit. That does not mean that the increased assessment will be lost forever. When the property is reassessed, it would have been captured on a go-forward basis. It does highlight the need for municipalities and MPAC to work more closely together on this issue, and we are actively working with other sources of information to help us identify when building permits are completed.

The timing of sales investigation and adding assessments to the roll both have an impact on the inspection cycles. Every assessment jurisdiction is being challenged by this question. British Columbia, with approximately 1.9 million properties, is facing a very similar challenge in keeping its property data up to date. In Saskatchewan, the legislation that sets a specific inspection cycle has been repealed because it could not be achieved.

As the auditor pointed out, assuming current staffing levels and no further property growth, the actual inspection cycle in Ontario is about 18 years.

The goal of an inspection is to make sure that the information we have about the individual property is correct. If we have the correct information, we can ensure that a home is being both accurately and equally assessed compared with similar properties in the neighbourhood or the community.

There are a number of actions that can be taken to increase productivity and accelerate our inspection cycle, and we are already undertaking a number of them.

We have added an additional 20 property inspectors to our staffing levels. We have implemented handheld computing devices for new construction in a number of offices in 2010. This system enables on-site electronic capture of property information with automated uploading and updating of our central system. In 2011, we plan expansion of this system to nine more offices, which actually account for approximately 80% of all new construction in the province. We've established detailed inspection work plans for each of our offices across the province. And, finally, we have updated our tracking and reporting procedures for inspection to better monitor progress.

I should also point out that physical inspections also have limitations. For example, we find that more and more, if not most, people are no longer at home during the day. As a result, verifying information on the interior of a property, such as whether or not the home has a finished basement, is increasingly challenging. Our goal of having updated information does not, however, necessarily require a physical inspection. For example, we are looking at other inventive ways to verify the physical characteristics of a property, such as phone surveys, mail-out questionnaires, as well as satellite and street imagery. This has the potential to significantly increase our ability to verify data on a property and bring us closer to our 12-year target. We think that the

initiatives that we are exploring or have under way will help us achieve this 12-year cycle.

Our ability to do all of this rests on our computer system. When MPAC was created in 1999, we inherited OASYS, a computer system that was almost two decades old at the time. So one of MPAC's first priorities was to develop a new computer system. However, the time frame and budget for the implementation plan for the system was not properly estimated in 2001, when it was first proposed. MPAC's needs had also changed.

In 2004, I was appointed as chief administrative officer and Antoni Wisniowski was recruited as vice-president of information technology. We were given the job of resetting the implementation plan, completing the system and ensuring that it would meet MPAC's requirements. We have done this.

The system was completed in 2007, and it works. It has been used successfully to produce the property assessment notices for all Ontario properties during the province-wide assessment update in 2008. It has also been used to produce over one million property assessment notices in each of 2007 and 2009, and again in 2010. It has been used to produce assessment rolls and products required by statute since 2007. It has enabled us to significantly enhance our operations and, at the same time, successfully eliminate our reliance on external mainframe services, which had an annual cost of \$3.5 million. We are using the system to produce values for 94% of the properties in Ontario.

In addition to producing property assessment notices for all properties in the province, we use the system to store the information for all of these 4.4 million residential properties. In this regard, the system is fully functional.

We are now investigating whether to use the system to generate values for commercial and industrial properties, or if there's a more appropriate and less costly off-the-shelf system that will allow us to do this. We expect to make a recommendation to our board this year.

With regard to the cost of the system, as I said a moment ago, the system that was proposed in 2001 was not properly estimated. I can only speak to the costs for the system incurred since 2004, when Antoni and I were asked to bring the system online.

One of the first things we did in 2004 was to review both the specifications and the costs. We also wanted to build as much as possible on the work that had already been done to keep costs down. As the Auditor General says, the original estimate to develop the system was \$11 million in 2001, and by 2004 the costs had grown to \$19 million.

After I became CAO in 2004, I asked for a complete review of our needs, the proposed system and the costs. In December 2004, we developed a revised estimate to complete the system for use in the 2006 assessment update at an additional cost of \$8.9 million.

MPAC was set to fully release IPS in 2006 when, following the Ombudsman's report, the provincial government announced the cancellation of the 2006-07

assessment updates. The cancellation necessitated MPAC returning to OASYS to produce the 2006 assessment rolls and required further enhancement to IPS.

In 2007, reliance on OASYS was terminated and MPAC's IPS was fully implemented. As a result of building the new system, we were also able to eliminate the \$3.5 million we paid to the provincial government every year to use its mainframe program. The system was brought in on time and on budget, under the revised project plan approved in 2004. More importantly, we have a system that works, and we are using it.

As we've stated before, there's always need for improvements, and we're continuing to focus on those improvements.

I would like to thank the Auditor General for confirming that we've established good policies for acquiring goods and services. As you can see from the undertakings in our summary status table, we have significantly strengthened those policies and are following the direction received from the government with respect to procurement, as well as travel, meals and hospitality. We're taking a number of steps to ensure our compliance, including employee training and audit checks.

I can assure the standing committee that MPAC takes the Auditor General's concerns regarding procurement and travel expenses very seriously. We've put a number of internal controls in place, including training for employees, and I am confident that these fiscally responsible actions will ensure value for money and serve the interests of the taxpayer.

In conclusion, I would once again like to thank the auditor for these recommendations. We agree that there are a number of areas in which we can improve the collection of information and ensure the accuracy and equity of property assessment, and we are taking significant steps to do this.

As we said in our overall corporate response, this will strengthen our operations and enhance our culture of continuous improvement.

Mr. Chair, I would be happy to answer any questions you may have.

**The Acting Chair (Mr. Jerry J. Ouellette):** Thank you very much for your presentation. We will begin questions in rotation.

I was in error: It is the third party that brought this forward, and the party that brings it forward is the one that has the first opportunity to do the questioning. So I'll turn the floor over to Mr. Tabuns for the next 20 minutes.

1300

**Mr. Peter Tabuns:** Thank you very much, Chair, and thank you very much for coming down today and making a presentation.

Were you aware before the Auditor General did his study about the variance between sale prices and what you were actually showing as assessments?

**Mr. Carl Isenburg:** Thank you for the question. Yes, we were. We actually measure; it's called the assessment roll quality. So there is a comparison afterwards, where

you measure the assessment to the sales ratio. In it, the variance would be indicated.

As was pointed out, these 1,400 sales fell outside—fell within the 20%. So yes, we are aware of them. There are efforts during the fine-tuning process, when we prepare those values, to address those. As you can see, we should have had a more timely review of those sales, and when we did finally follow up on those sales, you'll note that most of them did not change. Those that were changed, it was about 8% for those that we felt should have been adjusted lower, compared to the sale price. Those that were increased were about 16%, a lot of that due to brand new construction: particularly, I think, if you look at the example in the auditor's report, related to significant sales of properties—\$1.2 million, \$1.3 million, \$1.4 million—compared to an assessed value of only the vacant land.

So yes, there's a combination. What we have to do is do a better job of reconciling when these 1,400 outliers surface.

**Mr. Peter Tabuns:** How many years ago were you first aware that there was a substantial group of assessments that was not consistent with actual sale prices?

**Mr. Carl Isenburg:** Probably in 2009, as we came out of the assessment update in 2008 and reviewed our performance.

**Mr. Peter Tabuns:** You talk about a target of a 12-year inspection cycle. What's limiting you in that inspection cycle at this point?

**Mr. Carl Isenburg:** It's a number of fronts. One of them is competing priorities. We have significant growth in this province of Ontario, so we've focused on new growth. We've also been focusing on 2009, as usually in the year following the assessment update you end up with a significant increase in the number of requests for reconsideration and for subsequent appeals.

What I think is that we've had an issue here of letting some of these priorities override, where we should be actually targeting unique properties so that we actually improve upon that cycle. So this is why we're looking at additional staffing as well as alternative vehicles to confirm the information. We're exploring every avenue, and there may be resulting requirements of further additional resources as we go.

I'm confident that on a lot of those fronts we're taking now, we'll be able to achieve that 12-year cycle.

**Mr. Peter Tabuns:** You had a comment as well.

**Mr. Dan Mathieson:** If I could add to that, I think one of the challenges that we've faced—and Carl had outlined—is that there are fewer than 30 municipalities that give us building permit information in a timely manner. We're working with AMO, the Association of Municipalities of Ontario, to develop, for lack of a better word, an MOU with them to make sure that municipalities, when they issue building permits and as soon as they're completed and final inspection is done, instead of batching them for a 12-month dump to MPAC, do it on a monthly basis. This allows us to plan work flow better, which of course allows us to use our resources better.

What we're finding with some of them: They let them accumulate for 12 months, they drop them into a regional office; they get all this information, they sort through it and they try to get them done in a timely manner.

I think our municipal partners, who fund us, who do the funding, are starting to understand that they have a vested interest in the accuracy of the information we provide, but also in the timeliness. I think, in our own situation, the five municipal representatives on the board have to do a better job of working with our association to make sure that those people understand it, and that's something I'm committed to doing. We've started that with meetings with Pat Vanini, the executive director of AMO and, of course, the president of AMO. We're having a joint board meeting with them later this month to start talking about some of these issues. So it is on our radar, quite clearly.

**Mr. Peter Tabuns:** Okay. I just want to go back: If you're looking at having adequate resources and tools to provide timely assessments and timely inspections, what sort of staffing requirements are you looking at? And could you tell us a bit about those other tools that you're looking at using to make sure that you can meet your cycle targets?

**Mr. Carl Isenburg:** We've made a number of initiatives right now. We've identified at least 20 more inspectors at this time. We've also gone through a realignment of our staff; in other words, to line up better behind the various activities. We think we can gain some efficiencies there. There are a number of us looking at alternative sources for information. We're looking at other entities that can help us with confirming when changes occur to a property or something's been done. The electrical safety association, for example, when they issue an approval of the electrical system—that's a good indicator to us that the property's ready to be dealt with.

We're also looking at engaging the taxpayer directly with a sales questionnaire. So when we want to inspect properties, we're also looking at an opportunity to actually do an assessment record confirmation. In other words, share with the taxpayer the information we have on file, much like the enumeration process, to tell us if there are things that have changed so we can follow up on those. So there's the engagement that we have there.

More information: I do believe that looking at alternative sources of information such as satellite imagery, which will get you at least the outside view of whether the garage is still there or it's not there, as well as street-scaping, a look-about type of initiative, will all help us. It's not that we're looking for a singular source on this, but I think a combined source. We're targeting how we improve moving towards a 12-year cycle.

Continuous work has to be done on any gap analysis as well, if we're feeling that we can't achieve that. It's a work in progress, but I think we're taking the right steps in the right direction.

**Mr. Peter Tabuns:** And what kind of costs are we talking about, then, to get the corporation on to a 12-year cycle on a reliable basis?

**Mr. Carl Isenburg:** Currently, 20 additional property inspectors—if my math is right here—represent about an addition \$1 million or \$1.5 million. The others, we're trying to manage within our current budget. The idea is that, of course, we're trying to trade off on acquiring perhaps a piece of information at a nominally lower-per-unit value. It's very expensive to have people get in a vehicle and get out there, as I said before, and there are limits; even when you get out there, you don't always get access to the property. It's becoming a problem for us.

What we have to be careful of, though, is that as we change or move into these other opportunities to improve our inspection cycle, we still want to be compliant within our standards. We want to be able to say at the end of the day that this is an accepted way for us to confirm that the property is right. That, in itself, presents a challenge.

**Mr. Peter Tabuns:** Can you give us some sense of the value of forgone taxes that arise because you don't have timely information or haven't been able to do an accurate assessment?

**Mr. Carl Isenburg:** We've been looking at the 18,000 permits, as we said. On about half of them, work has not been started, and that's quite frequent. We're doing a review of how much we are looking at there. We've come to a conclusion that there are about, in actual eligible permits, 2,400 properties or so. We estimate that that, if it's totally at risk, may represent around 1%.

**Mr. Peter Tabuns:** One per cent of the total value of how much?

**Mr. Carl Isenburg:** Of the amount of assessment that we add annually to the assessment roll.

**Mr. Peter Tabuns:** Because I'm not familiar with the total value of the assessment, what would that 1% represent?

**Mr. Carl Isenburg:** I said earlier that last year we added \$28.4 billion. Total in the province, I think we're somewhere around \$1.7 trillion or better, in total value for the province.

**Mr. Peter Tabuns:** These are big numbers.

**Mr. Carl Isenburg:** Yes, they are.

**Mr. Peter Tabuns:** They're very big numbers

Are you aware of any other jurisdiction in Canada or in the United States where they're able to address these problems in ways that you think we should be emulating?

**Mr. Carl Isenburg:** I belong to a group called the Canadian Directors of Assessment—in other words, 10 of us get together once a year—and we share the same concern. It is—I don't want to say—an almost impossible hurdle, but everyone is looking at different ways to do this.

I'm not aware of any right now in Canada that are actually on a fixed cycle. As I said before, the Saskatchewan Assessment Management Agency had a section in there where I believe they were required by law to produce a 12-year cycle, and that was repealed last year because they couldn't achieve it.

1310

In the United States, it is a much more fragmented assessment system. You have lots of counties and so on. I

can't really speak to the experience in the United States. You see it every once in a while, in readings or papers, where they're struggling with how to keep their property data up to date.

If you look at the International Association of Assessing Officers, usually most assessment jurisdictions subscribe to their standards. They recommend four to six years, which is very aggressive. Personally, I'm not aware of any assessment jurisdictions actually achieving that. They've come out with new standards around what else you can look at as satisfying the requirement to inspect a property. So they are now encouraging other ways and recognizing that other standards have to be in place to achieve that.

Four to six years is a very expensive undertaking. I have not analyzed what it would take to try to get to that level.

**Mr. Peter Tabuns:** Why do they recommend four to six as opposed to 12?

**Mr. Carl Isenburg:** That's been long-standing. I think that's being revisited as we're facing the realities today. It has been quite a long time. As long as I've been in the business, I've known it. That's kind of the standard they're promoting.

**Mr. Peter Tabuns:** A standard that's promoted that no one comes close to?

**Mr. Carl Isenburg:** We find ourselves challenged. Like I said, I don't know of anybody who's meeting that criterion.

**Mr. Peter Tabuns:** As new subdivisions are brought on stream as we expand, can you tell us that you're able to bring assessments in a timely manner that allows us to avoid forgone revenue?

**Mr. Carl Isenburg:** I've put in place for us performance objectives, and we are targeting to have these new assessments on within six months of occupation. We're not quite there yet, and we'll probably go through some growing pains as we catch up on some of this work, but it'll highlight others that have come close or have been missed.

We can make an assessment for the current year and previous two years. So we can cover three years without any risk of losing an assessment. Our preference is to have it up to date. I believe that is in the interests of the taxpayer, who doesn't want to face a three-year tax bill, and of municipalities having their funds available to them when they should.

**Mr. Peter Tabuns:** Your target now: If what you're working towards is six months, what's your average performance at this point?

**Mr. Carl Isenburg:** I don't have the exact numbers, so I'd want to be careful. But we're probably approaching more like 10 or 11 months.

**Mr. Peter Tabuns:** That's substantial. I don't have any further questions at the moment, Mr. Chair.

**The Acting Chair (Mr. Jerry J. Ouellette):** Thank you, Mr. Tabuns. We now move to the government. Ms. Sandals.

**Mrs. Liz Sandals:** Welcome. I'm looking at pages 198 and 199 of the auditor's report, where you already had talked a bit about properties that were undervalued and overvalued. What struck me in figure 4 is that, at least in the examples that are given here, the properties which were undervalued seemed to be quite high-end properties in the examples which are given here, and the properties which are overassessed seemed to be much less expensive: lower-cost properties. It may just simply be a function of the examples that were chosen, but what seems to be presenting there is a trend of big, expensive properties perhaps being underassessed and small properties being overassessed, which, if that was a general trend, would mean that the property tax burden was being shifted from high-end to low-end, which is presumably not good social policy. I'm not sure that is what's going on.

My first is perhaps a war story I've shared with you before, but this would, I think, be back in the late 1990s—and this is Muskoka. I think what was happening was that perhaps Muskoka was a pilot for developing the software. We happened to have in the family an old 1950, prefab, tiny cottage, which we took over from my aunt. I got the first assessment bill and was absolutely, totally horrified, because it didn't seem to have anything to do with anything. Being sort of mathy and analytical—and this is why this chart hit me. I actually proceeded—this was in the days when the old Bracebridge assessment office was on Pine Street. I marched over to Pine Street. You could get all the assessment data. So I said, "Thank you very much. I'm a beggar for punishment," and walked away with scads of printouts, and went through and very methodically pulled out all the ones that had actual sales prices. I did the trend line and found exactly what is in this chart, which is that the high-end properties were underassessed and the low-end properties were overassessed.

Then I marched off to the Assessment Review Board, where, after everybody scratched their heads and went out for lunch for a while, they came back and said, "Thank you, Ms. Sandals. You've found out that we're consistently wrong, but that's okay because we're consistent," and sent me away.

I was very relieved to hear both of you say today that your standard is now accuracy and equity, so I'm assuming that if that story were to repeat today, being consistently wrong wouldn't quite meet "accurate and equitable," so I'm hoping that that would not be the result.

At any rate, the similar trend caught my attention. You spoke about going through the examples that the auditor had identified and actually analyzing them. I'm wondering if, after you pulled out the ones where there was some explanation—it wasn't an arm's-length sale or it hadn't been updated because of improvements, or whatever. After you pulled out all those and you were left with the truly under- and overassessed, did you do any trend analysis to see what you had left in those that were truly under- or overassessed?

**Mr. Carl Isenburg:** As I said earlier, there were about 721. We looked at all 1,300. There was actually no change. So yes, we looked at those. Because there was a distribution of those above and below, it is an issue of coming back to the central point.

What we found when we reviewed these is that it was more about the timing and the data than the modelling of being over- or underassessed relative to high-priced properties or low-priced properties. We haven't gone back and recast the coefficient of dispersion—in other words, how you measure how far away you are. You want to get that as close to one as you possibly can.

We also note, as I said in figure 4 and as you pointed out, that we have reviewed each one of those values. Again, it is more of a timing of getting that new assessment on. Our finding there, in that case, was that if we looked at the very first one of \$1.4 million but we added the new house, we were at \$1.1 million. In the second one, we're at \$1.6 million. In other words, we're now lining up with what sold.

I believe that the assessment here unfortunately reflected only the vacant land and the sales reflected only the proof of property.

**Mrs. Liz Sandals:** Okay. So you're getting vacant land to construction, as opposed to some sort of upgrade to the residence. It actually is construction?

**Mr. Carl Isenburg:** Correct.

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**Mrs. Liz Sandals:** Okay. The flipside of that is demolition, because, having looked at what was going on in the neighbourhood I was in, it looked as though—and this is certainly a Muskoka phenomenon, but I'm thinking it's also a phenomenon in lots of downtown core areas in Toronto, for example—low-end properties almost always resulted in demolition. But the methodology of the time was, if the building was demolished, it was pulled out of the sales sample as not being a true sale, when in fact almost all low-end properties were sold for the purpose of being demolished, and that's what their market value was. That was actually their market value, yet they were all being pulled out.

Has that methodology changed at all so that you look at neighbourhood-specific—maybe it's not neighbourhood—but at least area-specific modelling? What are market value conditions in one area may be different from the assumptions in another area.

**Mr. Carl Isenburg:** Absolutely. We break down the province into a number of market areas. Each one would have their own unique characteristics, which includes—we'll have something unique to Muskoka or unique to a smaller urban centre versus infill areas in the city of Toronto, and a lot of these samples here were actually these infills. You're quite correct: property, typically, on an infill situation will probably sell for only its land value. It's improved, but really only the value is left. If any analysis is made of those sales, it would be towards the establishment of land values. We discount the value of any improvement on that, because it would be inconsistent—

**Mrs. Liz Sandals:** But what seemed to be happening at the time is that they were actually being taken out of the equation as comparators.

**Mr. Carl Isenburg:** For improved properties.

**Mrs. Liz Sandals:** But then the discrepancy seemed to be that if you have an improved property, it's going to be sold and somebody else is going to knock it down, is what I'm saying. So it was almost like all the real comparators were getting pulled out of the equation in those particular areas.

**Mr. Carl Isenburg:** Those comparators would be removed.

**Mr. Dan Mathieson:** If we could ask Larry—

**Mr. Larry Hummel:** What we do now is, we're able in the system to capture a sales snapshot; that is, what were the circumstances at the time of sale? I think you're probably referencing a point in time when we didn't have that ability. Now we do. So we can capture that this was the sale of a lot with a little house on it, and we would capture the details of the property at the time of sale, and we can use that information in our analytics to be able to come up with a better value.

**Mrs. Liz Sandals:** That's what I'm asking. You've now morphed into a more sophisticated world where you can say, "This is a property with a little house on it. It's likely to be demolished. Let's use that as the comparator for all the other little houses in the neighbourhood that are likely to be demolished," so that it actually stays as a comparator for similar properties in your model.

**Mr. Larry Hummel:** Yes.

**Mrs. Liz Sandals:** Okay. That is a good improvement.

**Mr. Dan Mathieson:** If I could add to that: In the effort for transparency, people can log on to our website now, AboutMyProperty, and they can pick 25 comparators at any time. So the person who owns that little house, who is on the street where everybody else has torn one down and put one up, can now go through and say, "I want 52 Morgan St., because it's mine," and we actually have the ability for them to see the transparency.

So it's taking it from a formulaic piece and actually putting it into a transparent piece. Property taxpayers can actually look at that. We have 240,000 unique users of our website this year, looking at their property data, so we've made great strides in trying to be transparent on these types of issues.

**Mrs. Liz Sandals:** The other question I have is around the 12-year cycle, and you've described the difficulty in trying to meet that. I commented to the auditor that I don't always 100% agree with him. Sometimes I've been known to slightly disagree. It struck me that on this one, if you can't meet the 12-year cycle, the better strategy might be to identify properties at risk. We've already talked about one where there's a discrepancy between assessed value and sales value. You've got a problem with waterfront and those sorts of properties, because they're unique; you've got a property with urban infill neighbourhoods where you've got a little teeny guy next to a monster infill. Have you thought about using, or are

you using, a strategy that says, "Concentrate the on-site inspections on those which are most likely to be inaccurate"? My observation would be that, if you've got an urban subdivision where everybody is pretty much the same, you actually do a really good job. Have you thought about another strategy?

**Mr. Larry Hummel:** Yes, and that is an important aspect of our strategy, to target those areas that are at high risk.

There also is an equal requirement to make sure that we're treating everybody equally across the province, ensuring that everybody has the same high quality of assessment, not just the ones that we target, so we have to be very mindful of that.

We are identifying high-risk areas: areas where there's a high rate of appeal; old housing stock where we haven't been inspecting. In order for us to inspect efficiently, we should be actually going door-to-door. We shouldn't be going out and targeting this property in the block and then, three blocks over—that is very expensive to do that. So we want to target an area and then blanket that area that's at high risk so that we're treating everybody in the neighbourhood in the same way.

That is the strategy, but it's to identify that high-risk area, flag those properties and then target all of the properties in that neighbourhood.

**Mr. Dan Mathieson:** If I could add to that: On behalf of our municipal partners who pay the freight, I think I'd have a tough time telling some of them that we have a strategy to deal with, say, the Waterloo region, because it's a higher growth area, and you don't get the same resources in Wingham, per se. I think that the Auditor General might have a joke about that, being from mid-western Ontario. But that's the strategy.

From an MPAC standpoint, we try to keep equitable amongst all our 444 partners who help pay our budget.

**Mrs. Liz Sandals:** Fair game.

You mentioned appeals. I'm wondering what sort of changes or improvements you've been making in the appeals system, which is where people often encounter you so that's someplace where you want people to have, if not friendly dealings, at least civil dealings.

**Mr. Carl Isenburg:** There have been a number of changes made to the appeals system, and I'm going to include in that the request-for-reconsideration process as well. There has been a fundamental change. There were several changes introduced by the government in 2008, and that was really designed to improve that whole appeal process.

For example, residential, farm and managed forest property owners: It was a mandatory requirement to file an RfR. This was a problem because previously, you could have an RfR all year long, but you had an appeal deadline as of March 31 of that tax year, meaning that you had to make your decision and you also had to pay \$75 residentially to file that. That was eliminated with that requirement.

That's for residential, farm and managed forest. For commercial-type properties, they didn't have to file an

RfR but could, if they liked. But they'd have to file an appeal by March 31 to protect their interest.

I believe that that has greatly enhanced the flow and the process. We now have to respond to the RfR no later than the end of September, and upon consent with the property owner we could move to a couple more months of work on that. Only then does the person who filed the RfR, once they have the information from us, have 90 days to decide whether to appeal that decision or—

**Mrs. Liz Sandals:** So after you have a proposed reassessment, then they can decide whether to accept that or to go ahead with the formal appeal?

**Mr. Carl Isenburg:** Right. That's actually alleviated this time, though, when you file your \$75. It wasn't a refund if it got settled before you went to the hearing, but I believe it streamlined the process for the taxpayer, for MPAC and also for the Assessment Review Board, in the sense that they saw some order there.

There are also new rules of practice introduced by the Assessment Review Board. We now have to ensure that there are requirements of all parties to exchange their evidence 21 days prior to a hearing so that taxpayers know the case that MPAC has, so that there are no surprises. I believe you heard quite a bit of criticism in the past around: All of sudden something changes when you get to the hearing.

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For those appeals that do progress to a hearing at the Assessment Review Board, the onus has been reversed. You may recall that it was also introduced through legislation that MPAC now must, for cases of value, proceed first, where there's evidence. Prior to that, it wasn't responsible; in other words, the taxpayer had to lead. I believe you heard the comments around, "Why do I have to prove"—that whole question of MPAC proving those valuations. That, I think, has had a positive contribution to the appeal process as well. If, however, there's a question of the classification of the property or something other than that, then it still becomes the taxpayer's obligation to go first in that engagement.

The other major fact that was added and changed to it was that the Assessment Review Board has been constricted in adjusting a value. It has to meet two fronts. It can't be just simply on the accuracy of the property but also must be equitable. The equity portion was added back into the Assessment Act; it had been removed. Now there are two tests that have to be considered. That test is based upon, "Is it comparable to other sold properties in that neighbourhood or in that market area?" You can't have an adjustment that makes the assessment increase, but you can have an adjustment made to a level to make it consistent with those two requirements.

In the past, the taxpayers sometimes ran the gauntlet of potentially having an assessment increase based on evidence or based on our evidence or based on the Assessment Review Board chairman's interpretation of that evidence. So, there have been significant moves made on the appeal front.

**Mrs. Liz Sandals:** Thank you very much.

**The Acting Chair (Mr. Jerry J. Ouellette):** Mr. Miller.

**Mr. Norm Miller:** I guess I'll start off with a similar theme that's been hit on by some of the other members, and that is that the Auditor General reviewed evaluations for 11,500 properties which had recently sold at arm's length. One out of eight, or 12%, proved to be assessed for either 20% higher or lower than the value of the property sold. With 4.5 million residential and farm properties, that works out to more than half a million properties in the same situation.

Recognizing that there is a fair number of properties where the value is 20% off, it would seem to me that the most accurate information to do with market value is the actual sale information, the sale price. How does the sale information on a property make its way into the MPAC database, and how long would it take the assessed value to be updated to the actual selling price?

**Mr. Larry Hummel:** For sales information, we receive a feed from the registry office via Teranet. We receive that nightly, and it's generally updated within 10 days of receipt. The ownership changes; the sale information is recorded into our database. As the president mentioned earlier, sale price, while it is regarded as the best evidence of market value—there are many instances where a sale price isn't a good proxy for market value. In those circumstances, we can't simply go to a sale price and assess at the sale price. We have to uniformly assess properties all along that street. Hypothetically, these homes that are almost identical should carry the same value. There are circumstances where that property might sell because of the individual circumstances with the buyer and the seller, and it may sell for higher or lower than the other homes on the street. But it would be inappropriate for us to give it a different value than the homes on the street.

**Mr. Norm Miller:** How do you flag that? That was going to be my next question. I know that Mr. Isenburg had stated that the sale price of a home is important, but it's not the only indicator of its value. Properties are sold under duress, and you gave a couple of other examples where the sale price might not reflect the market price. Do you know, first of all, how you flag those, and what percentage of all the properties sold that would be, that you consider the sale price not to be a true reflection of market value?

**Mr. Larry Hummel:** We use an assessment-to-sale ratio, and we score the local area based on the use of a bell curve to statistically determine which is an atypical sale price. Then we flag that sale price, depending on how widely it varies from what is viewed as typical, for action. The first step would be to do a physical inspection or do a sales questionnaire. Maybe if it was closer to our assessed value, we would simply do a desk audit. For many, many more, it would be so close to our estimated value that we would view that there was no need to undertake follow-up. There is a strategy and a program in place to flag these sales and to follow up on them.

**Mr. Norm Miller:** I guess it's easier in a uniform neighbourhood, but there is some sort of trigger that makes you look deeper into it, including a physical inspection.

**Mr. Larry Hummel:** It's important that we understand the terms of the sale. There are two issues, really. There's the sale itself, and: Under what conditions did the sale transact? You really need to understand from the parties in the transaction: Did it represent a willing buyer, a willing seller, acting knowledgeably, under no duress, in an open market? Was it a private sale? Was it an estate sale? Was it a forced sale?

**Mr. Norm Miller:** How do you establish that, though?

**Mr. Larry Hummel:** If it's not disclosed in some way on the land transfer tax statement, then we don't know. We then have to either send out a questionnaire or visit the property and talk to the property owner, the participant.

**Mr. Norm Miller:** MPAC failed to inspect 18,000 properties where building permits had been issued. This seems like low-hanging fruit. Why is it that these inspections aren't given a higher priority?

**Mr. Larry Hummel:** We have targeted building permits that are over two years old. Actually, we've re-engineered our business process as a result of the auditor's recommendation to more closely target this.

We receive over 200,000 permits annually. A lot of times, the permit information doesn't detail very much in the way of a description of the nature of the construction, or its value. As a result, in many circumstances, we're in the dark, and we don't know when that property is completed. Therefore, we've been actively reaching out to other sources of information, working with our municipal stakeholders to try to get better information.

We are rigorously following up now. If we don't receive a building permit listing from a municipality, staff from our municipal representatives go out and speak to them about it so that we get it. We're working hard with them to try to get better information so that we are efficient and timely.

**Mr. Norm Miller:** Hansard would probably appreciate me telling you to back off the microphone a bit; they're fairly sensitive.

That was where you were saying that only 30 municipalities were providing timely information, and you're working on an MOU get a more timely process on building permits?

**Mr. Carl Isenburg:** We are working, actually, closely with AMO on two fronts. One is getting access to the building permits and, as Larry pointed out, getting permit information in a standard form, just to get all the right information with the right values and what's identified as to what will happen there. We're seeing opportunities for improvement on how we're notified. Marry that up, then—and out of 444, there are about 270 municipalities that are sending to us electronically, which is our preferred way. Out of that, there are only about 25 or so municipalities that also issue us their occupancy permits.

**Mr. Norm Miller:** Showing that it's done, and the work is complete?

**Mr. Carl Isenburg:** Right. We think that's the right direction to take, because marrying those two up maximizes our ability to use our resources. Also, it's confirmation for us that there is work there that needs to be assessed. That way, both the municipality and MPAC are held accountable for the same information.

Achieving more participation in that is where we're working with AMO, with the clerks and treasurers, on how we get this information. This is why the recommendation from the auditor was to work more closely with municipalities and get that information from them.

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**Mr. Norm Miller:** It would seem to me that the municipalities, as I think you said, have a vested interest in trying to get that information quickly, because it will affect their total assessment and their taxes. Certainly, in my experience in business, the inspector seemed to be the first person to show up when I'd be building a new building.

**Mr. Dan Mathieson:** Often, the municipality is good on the front end—and I say that as a municipal leader in the province—but we have to get the follow-through all the way through. For us at MPAC, I think we need to work with AMO to show the benefit of a thorough system.

If we can increase assessment for them in a more timely manner and we don't lose any of what you call the low-hanging fruit, then when we ask for a 2% or 3% increase in MPAC's annual dues next year to keep our operation, if we can show a business plan that actually returns the revenue back to them in a more timely manner and it shows them the payback, I think a lot of them will agree.

We've got 270 out of 444 using electronic loading of data now. We just need to get that 30 that are actually doing it effectively up higher, and we need to get that other 270 to 444 in the mix.

**Mr. Norm Miller:** I just want to go back to the sale price reflecting market value. Rightly or wrongly, it's my belief that the sale price is the most accurate measure of what market value is. What sort of percentage do you consider it is? Do you figure it's 5%, 10%, 2% or 1% of actual sales where the sale price does not reflect market value? Do you have a percentage figure for that?

**Mr. Larry Hummel:** Again, we undertake our analysis of the performance of the work that we perform by looking at how close we are to the general level of appraisal. When I say "the general level of appraisal," all I'm saying is that, overall, the assessment and sale price should be at one.

I can show you that in the last assessment update, we analyzed over 600,000 sales in over 130 market areas. If I look at the average sale and the average CVA, you'll find that they'll be remarkably similar. They won't be identical, because we're dealing with large numbers and statistics. In each individual sale, there are some dynamics; there is some variation in the price that occurs,

as Carl explained in going through his review of what happens when you have a seller and a buyer and how they go through that circumstance.

While we do view the sale as the best evidence, there are going to be other sales on the street of essentially the same commodity. You have to take that into the mix when you're analyzing that information and then coming up with a uniform value, consistently derived, for all of them on the street. That's the exercise.

For most property owners, if we're reasonably close to the sale prices, then they're generally satisfied that our job has been done. If we've come close on their neighbours' properties and what they understand to be the value of their neighbours' properties, then I think they think it's fine.

They recognize that somebody got a better price, somebody got a lesser price, than what they think they should have gotten—and that's going to happen. We can't set that as the target; that's the point I'm making.

**Mr. Norm Miller:** In an area like the one I represent, where it's not so much uniform neighbourhoods, in Parry Sound-Muskoka—the chairman has a place up on Lake Rousseau—every property is pretty much unique, especially if it's waterfront. There are all sorts of factors. I think in that circumstance, that makes the actual sale price carry more weight, because you don't have a uniform neighbourhood to compare it to, apples to apples.

**Mr. Dan Mathieson:** To help determine the quality of the assessment update, the relationship between the assessed amount and the actual sale value of a property, as sold in a base year, is calculated. We call that the assessment-to-sale ratio. The closer the ratio is to 1.0, the more accurate the assessment is. For residential and farm property, the international standard is to be at 0.9 to 1.1. In 2008, the last year for which we've actually been able to update it, based on the assessment, 0.99 is how accurate we were. The international standard is to have a value that has a coefficient of dispersion of 15% or less, and we're able to hit 7.54%. So by our own standard, using the most reliable data we have from our last assessment update, we're bang on at 0.99, and we're actually half what the international standard is for dispersion of assessment.

**Mr. Norm Miller:** The auditor noted that MPAC was unable to provide accurate information about the number of property inspections actually completed. Can you tell me why that is the case and what's being done to resolve that issue?

**Mr. Larry Hummel:** One of the areas, and the auditor correctly pointed out, was that we've been—there are a number of triggers or work objects that result in going out to a property, and it can happen several times in the course of a year: A property owner can challenge their assessment, so there's a request for reconsideration, and the property is visited. They may subsequently take out a permit, so the property inspector goes out and visits that property, maybe once, twice, in order to pick up that information; and there was duplication in that count. So what we've done is gone back and looked at how we

were recording this information, and we've made certain that we're going to only count unique visits in our 12-year cycle. But we're also going to better capture this information going forward, using a better set of tools to track the information.

**Mr. Norm Miller:** Okay. The average number of inspections works out to five per inspector per day. What is MPAC's target for inspections per day?

**Mr. Larry Hummel:** You can appreciate that Ontario is a pretty diverse area, given northern Ontario with vast distances and then the city of Toronto, where you might have a subdivision where every 15 or 20 feet you have a house. So the level of inspection that we have for inspectors varies, depending on the type of work that is being performed. If it's new construction, infill housing of very large custom homes, we're going to have a target for those types of properties. If it's a subdivision, a very simple subdivision or condominium, there's another target, a number of condominium properties that we're going to process within a period of time. If you're in very rural areas with large distances to travel, we're going to have another target for that. Overall, that was the global metric, five, and we actually weren't hitting five; we were at about 4.1. That was where we were achieving, and the auditor drew our attention to that, but we're using that as a statistic to help us allocate the work across the province and staffing resources.

We know we have to do a better job tracking, and we've got a couple of business initiatives that we've got under way that our president spoke to just earlier. One of them was, we were using tablet and hand-held technology, and of course, then we have a complete record of all of the activity and changes that are ongoing; that's moving into nine offices. As well, we've started a business improvement process where we're requiring every property inspector to have a uniform way in which they're to collect that information so we will have a better understanding of the work that's being completed and we'll be able to better monitor it.

**Mr. Norm Miller:** So on the actual physical inspections, I think the Auditor General pointed out—first of all, your target is every 12 years to actually have an inspector on the ground and physically inspect a property, but you're more on track to an 18-year cycle. How long have you been aware of this time path that you're on?

**Mr. Carl Isenburg:** If I can speak to that: probably as long as I've been in assessment. It's been an issue previously with the government of keeping these records up to date. We are finding out that properties are changing. Renovations are taking place—actually, the stock is changing. So this has been a challenge for us for a number of years, to try to move into a more predictive cycle.

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It's not new to us. When the auditor looked at that, when he saw the number you just referred to, the number of properties done per day, and with the staff that we had at the time, he drew the conclusion that that couldn't be done.

So we've reviewed how we're going to do this. We need more staff when we start on that journey to try to improve that and tighten the opportunity to get to the 12-year cycle.

**Mr. Dan Mathieson:** If I could add as well that one of the things that there is some lag on is: What is the international body looking at as a standard for assessment? Is a 1-in-12 now going to include street imagery and a satellite view as part of an assessment, so that if we use different adaptive technologies, does that actually move us closer to the 1-in-12 or not?

Those are some of the things that we're doing in a business process now, to say that if we bring all this technology to bear, does it get us from 18 down lower, or how does it work?

**Mr. Norm Miller:** You were also talking about telephone surveys as being a way of—I assume you'd call someone up and ask them a few questions like, "Have you redone your basement?" I'd assume that most people are going to be honest about it. If they said, "I have redone my basement," would that trigger you to go out and inspect it, or would it mean you'd accept their information as being the case?

**Mr. Carl Isenburg:** The phone survey will help us understand the size of the change that was made to the property. If it's one that talks about adding air conditioning, we don't need to visit the property. If there is one that has significant impact upon the value of the property, it has to be followed up with an inspection. So it's not an automatic—

**Mr. Norm Miller:** So if he responds, "I built a new garage or a shed" or, I don't know, something—

**Mr. Carl Isenburg:** That will trigger an on-site inspection.

**Mr. Dan Mathieson:** And that's where the quality of the building permit information and the completeness will actually help us, because we'll know that the permit was for \$100,000. You'll know that it's complete. You could do the call and you could send somebody out if the information doesn't align with what the municipality knows, and you could start so that the person that's in the field is going to get those, as opposed to going to a house where there have been no physical changes. So it's just trying to play our people in a better way.

**Mr. Norm Miller:** Okay.

**The Acting Chair (Mr. Jerry J. Ouellette):** Thank you, Mr. Miller.

At this time, we'll move into a 15-minute rotation. Mr. Tabuns.

**Mr. Peter Tabuns:** In the summary status table, there's a note of outstanding undertakings, and you are seeking additional information on addresses of fraudulent transactions from mortgage insurers. How big a problem is that?

**Mr. Larry Hummel:** We don't know until we get the number of addresses. We have what we call an AVM that we sell into the financial services industry, which is our—

**Mr. Peter Tabuns:** Sorry; what is an AVM?

**Mr. Larry Hummel:** An AVM is an automated valuation methodology value that actually mortgage insurance underwriters use to evaluate the risk of lending or insuring that particular mortgage.

What we would like to know from them, because they're also our customers, is whether or not any of these transactions are fraudulent or which ones have been identified as fraudulent. That way we would then, obviously, eliminate that from our data set.

We don't know the number, but we would like to know because it's certainly been in the news more frequently as these things are coming to the surface.

**Mr. Peter Tabuns:** When I talk to real estate lawyers in my riding, this is an ongoing and troubling problem for them. I have no doubt it would skew your results quite sharply.

**Mr. Dan Mathieson:** If I could, one of the things that our business development department does is, we generate almost \$7 million a year through business development, doing various partnership agreements, and that offsets the municipal levy.

So the AVMs—if we could ever get the mortgage insurers and the financial institutions to line up with us and work on the same basis of value, you would see homes being insured at the proper amount—either helping or stopping insurance fraud; either helping people to be insured for the right amount or stopping fraud if they're overinsured. We could do the same on financial services.

It's one of those models that our business development crew is working at, and using technology has been probably one of the greatest things we've achieved over the last number of years as we sell these AVMs.

**Mr. Peter Tabuns:** What sort of response do you get from the other side, from CMHC and the company Genworth? Are they very interested in moving forward with you, or are they being slow about it?

**Mr. Larry Hummel:** They've indicated a willingness to provide us with the information. They have to put it through their privacy screen.

**Mr. Peter Tabuns:** Right. Okay. That makes sense.

In the report from the auditor, he notes that the number of inspectors employed by MPAC was 320 in 2007, and it dropped to about 230 in April 2010. Given that it's been apparent that it's difficult to keep up with the cycle, why was there such a reduction in the number of inspectors in the system?

**Mr. Carl Isenburg:** The number of a little over 300 actually included about 50 contractors whom we used that one year, and that was based upon board approval to improve upon our inspections—actually, to target exactly that.

In following years, it went back to the original numbers. It dropped back down to 230, which we're now starting to augment with adding 20 back, so we're starting to move. Overall, we used to have around 270, but that dropped to about 230, 225. We're now adding 20 back in; that gets us to 250.

As I said, it's part of our gap analysis as to "What's the right number for this," because we have to look at other ways. I don't think you can always go to the taxpayer and ask for more money. There must be other ways we have to explore to get at those cycles.

**Mr. Peter Tabuns:** I agree with you on that comment. I just think that if, in fact, we're not going through and doing the inspections on a timely basis, if it takes 11 months to do an assessment for houses in a new subdivision, there's a lot of forgone revenue.

Was there a management decision to drop down to as low as 230?

**Mr. Carl Isenburg:** It was a decision around not putting the funds back into the contractors. So yes, that did—

**Mr. Peter Tabuns:** Well, that was 50 of them from 320. That takes us down to 270. You're at, what, 220, 230? That's a very big drop below 270.

**Mr. Carl Isenburg:** The difference in there was that at the time that the audit was conducted, there were positions that were there and not filled. In other words, there were vacancies that were assigned to other work to supplement, whether it was a request for reconsideration or one of those kinds of activities. The funding is there for that number of people, and it's now a reallocation requirement on our part.

**Mr. Dan Mathieson:** I would say that the board has to take the ultimate responsibility for that. The fact that, out of 13 members, five of them are municipal individuals—I think the board needs to revisit our staffing level. We ultimately have to make that decision, and with the Auditor General's findings, we've looked at the number of employees that we have in the field, and it's something that's ongoing.

At the end of the day, the staff only recommend operating within the envelope we provide, and we need to take responsibility for that.

**Mr. Peter Tabuns:** Can I take from what you've said that, at the time, you felt you could reduce your costs, and there was a consequence to reducing those costs?

**Mr. Dan Mathieson:** Not being on the board, I can't speak for them. But I can say, with the clear light of day—because I don't have hindsight—to me, it looks like where we cut, maybe we need to put people back.

**Mr. Peter Tabuns:** Fair enough. That's useful for me to know.

The property inspection cycle: The Auditor General talked about the way that properties were counted, inspections were counted. If you went to a property for which there were multiple building permits for one building, you would count each permit as an inspection rather than as one large inspection, and one would think that would inflate the numbers. Was there a policy reason behind that? Is that still the way that things are addressed?

**Mr. Carl Isenburg:** There's no policy reason behind it. It was the assessor recording his activities. Then, of course, when we added up, we did not distinguish, so we had a multiple hit, and this probably represents 15% or so of our total inspections. We have targeted on how to

avoid that. That is really, by some discipline, about electronic tracking.

We want to have a one-property view so that we know exactly that we have one unique count, no matter how many times we go to that property or what we do for it—because you may go to a property for adding a new addition; you may go there for a request for reconsideration; you may be there for an appeal all in one year. I believe the count should accurately reflect one property, not three visits.

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**Mr. Peter Tabuns:** That makes sense. In the briefing we've had, we understand that your central office assessment of activity was pretty up to date and pretty sharp, and you had more trouble in your regional offices. Things seemed to be looser. Can you tell me if you agree with that assessment, if in fact that was the case and are you correcting it now?

**Mr. Carl Isenburg:** I believe the reference was to quality function. We do have a very good quality function at head office. That's where it's housed. We do have distributed staff; we have 33 offices. As was pointed out, yes, we have to introduce better process controls, better quality measurements, do more audits and make sure that there's a follow-up on where we have deficient work. We have to do a better job in the field. I appreciate that we've got the house in order at head office, but it's really a reflection overall if we don't have the field in hand as well.

**Mr. Peter Tabuns:** I don't have further questions, Mr. Chair.

**The Acting Chair (Mr. Jerry J. Ouellette):** Thank you, Mr. Tabuns. We'll now move to the government members. Mr. Lalonde.

**Mr. Jean-Marc Lalonde:** Some of my questions are similar to the ones that Mr. Tabuns asked you, but my first one would be: At what point of the construction are you people advised to visit the construction site?

**Mr. Larry Hummel:** When the permit is issued, the municipalities will forward to us the permit application information. So we know before the spade goes in the ground that there's a building that's going to occur there. We hope that we then get updates, and that's really where the key part of it is, because we really don't have to be there until the building is nearing completion or complete.

We do need to know that there's this permit out there, because that helps us with forecasting workload, but in terms of targeting the work we really need to have the status of the building when it's completed, at that point with the last check by the building inspector. That's the ideal status update. We're not getting that, but we're working on trying to get that from all our municipalities.

**Mr. Jean-Marc Lalonde:** So you're not getting everything from the municipality's building inspector on time.

I know what it is for a residential area; you need an occupancy permit before you move in, but in the rural areas there's barns, garages, anything that could be built, and all of a sudden people are getting their tax bills and

they see that they've really gone up. Then I call your office and then I call the municipality. I found out that it is retroactive for a period of time. How far back can they go to come up with the right assessment?

**Mr. Carl Isenburg:** We are permitted to look at the current year and the previous two years.

**Mr. Jean-Marc Lalonde:** Two years. Okay. That's quite a few, then.

I'm not too sure, but I think you referred to the fact that as of today you've only received 24 assessments from municipalities. Is that what I heard during your presentation?

**Mr. Carl Isenburg:** Twenty-four municipalities issued to us a copy of their occupancy permit.

**Mr. Dan Mathieson:** If I could, there's 444, and 270 of them give us the data electronically on permits.

**Mr. Jean-Marc Lalonde:** At what time of the year?

**Mr. Dan Mathieson:** That varies. Larry can maybe—

**Mr. Larry Hummel:** We're trying to schedule them on a monthly basis, and largely we're getting them on a monthly basis across the 270 that are referenced.

**Mr. Dan Mathieson:** And then out of those 270, say, less than 30 give us the occupancy electronically as well. So if they inspect today, they would turn around and let us know electronically tomorrow or at the end of the week that they've done it.

If we could get an MOU that said, "Okay, AMO, let's get an agreement amongst all the municipalities that would say, 'You issue a building permit. You all let us know electronically when it's done, and the minute you issue an occupancy, you let us know electronically'"—it's done within 14 days, and we could start staffing out and planning much better, but it's convincing all municipalities to go that way.

We still have small pockets, because we're a diverse province, that say, "You know what? Our building inspector is not technologically savvy and he likes to lump them all together. Once every six months or at the end of the year, he likes to shoot them off to MPAC in an envelope, and then we have to have data entry people sit there and go through it and allocate the work."

It's a lot of work on our part, but it really rests with our municipal partners in agreeing to do that and developing a standard with them.

**Mr. Jean-Marc Lalonde:** I fully agree with what you're telling me, but have you sat down with AMO on that issue?

**Mr. Dan Mathieson:** Yes. We are presently. We've had discussions with Pat Vanini, the executive director, and her staff. We have a board meeting later this month that we are hoping to table this at, a joint board meeting of both boards to try to work toward some of those.

**Mr. Jean-Marc Lalonde:** Okay. My last question would be—I'm just working on this issue at the present time. A property owner has applied for a subdivision change from rural farmland to residential. He came to my office and his last year's bill was five-hundred-and-some dollars; this year, it's \$24,000. Immediately, I said, "Well, they must have changed your zoning. But how can

they change your zoning if the official plan has not been amended?" The answer that I got from your office is because probably you people have gone over and they noticed that there was no harvesting done on the property. My research, as late as last week—the harvesting was done on it. So I guess I'll have to get back to your office.

**Mr. Carl Isenburg:** Thank you.

**Mr. Jean-Marc Lalonde:** At what point do they assess to become—even though the zoning, the amendment to the official plan has not gone through yet, they are fully assessed as a subdivision.

**Mr. Carl Isenburg:** There's actually probation, when somebody farms a property under OMAFRA, to file a business registration for farm purposes. Then, it applies 25% of the residential tax rate for the property. If somebody severs a piece of the property off that and it no longer remains in that farm classification, then we would probably reflect the new value at whatever is appropriate. If it's residential, if somebody is building a house on a lot or an acre now, two things would happen: We would value it as a residential lot, not farmland value, and it would move up four times in taxes in essence, because it would go from farm rate, which is a quarter of the residential, to a full residential rate.

I'm prepared, if you contact our office—you can contact me directly, I'll follow up for you on exactly what transpired at that property.

**Mr. Jean-Marc Lalonde:** Thank you.

**The Acting Chair (Mr. Jerry J. Ouellette):** Ms. Sandals?

**Mrs. Liz Sandals:** Two questions: One is actually a follow-up and just a clarification because I thought I heard you talking about sort of final ticks on building inspections. Then I heard you talking about occupancy permits. So it's the occupancy permit you're going for?

**Mr. Carl Isenburg:** We'd like to go for both—a more complete building permit. Because if you don't declare, for example, having the right value of renovation or the cost of construction, it may lead us to prioritize that differently. If somebody is actually building a garage but says it's \$10,000, or \$5,000, we'd like to have up-to-date information: What's the structure? What does it cost to build? And anything else that would help us narrow our work down. So, that front, yes—

**Mrs. Liz Sandals:** But if you've got a half-a-million-dollar house built, and there's an occupancy permit, and there's one or two little things that haven't been ticked off on the building inspection, you don't wait for them, do you?

**Mr. Carl Isenburg:** No—

**Mrs. Liz Sandals:** Okay. I am very much relieved.

**Mr. Dan Mathieson:** There are two different things, though. Occupancy would apply to new home construction; building permit would catch the renovation piece.

**Mrs. Liz Sandals:** Okay. My other question actually comes from a conversation we were having with the auditor this morning, with my colleague Mike Brown, who represents Algoma, a large swath of northern On-

tario overall and a few small towns. He raised the issue of what happens when you've got a mill town and the mill leaves and all the houses become unsaleable. How do you treat the situation where you literally don't have any recent sales data because, literally, nobody can sell; there just is no market?

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**Mr. Larry Hummel:** Nonetheless, we have to estimate the value and take that into consideration. Indeed, we did see in some instances, where the mill shut down, values which were already low, \$60,000 or \$70,000 for a home, dropping to \$30,000 and \$40,000, and people calling in where they're trying to refinance and would like to see our values higher. But we have to predict what the correct value is in the circumstance and take in even circumstances where there is a limited market, and try to best predict where that value is.

**Mrs. Liz Sandals:** So you're not just freezing on where it was then; you're actually trying to predict what it would be if there were actually a sale?

**Mr. Larry Hummel:** Yes. Generally, it doesn't happen that we don't have any sales on residential properties; there will always be sales, even in the smaller communities. We do see that in a lot of commercial investment properties when all of a sudden the market dries up, but you can look at other information to help you assign a correct value for the property. So we just don't look at the last sale and say, "That's it; our job is done"; we have to look at what the value should be on that valuation date, and take everything into consideration when we make that value. That's what our role is.

**Mrs. Liz Sandals:** But where you've got a small settlement, then you could literally see the whole settlement drop across the board?

**Mr. Larry Hummel:** That would be my expectation—that if a mill shuts down and it's a single-industry town, we have to look very closely at it and make sure that we're using the latest sale information that reflects that economic event.

**Mrs. Liz Sandals:** Yes, it's obviously a very difficult circumstance for the people in the town, but also for you, because it doesn't fit any of the presumptions. But anyway, that's helpful.

**Mr. Carl Isenburg:** If I may, it's also an issue of how we have experience from other municipalities through different years for different reasons. So if there is a mine or there's a forestry industry, we can actually look to what happened there and what were the indications.

The other opportunity we have is to then expand the number of years that we're looking at sales. This is what we usually have to do, for example, in Muskoka areas or where you have fewer sales—they're very heterogeneous neighbourhoods, in other words, very unique—or you have a situation, as you're describing, where you've had a downturn in the economy that then says, "Well, let's look at a number of years, not just the current year," on either side of it. We do have the opportunity to look at data, and the trick is to analyze it properly.

**Mrs. Liz Sandals:** Thank you.

**The Acting Chair (Mr. Jerry J. Ouellette):** Mr. Miller.

**Mr. Norm Miller:** I want to start with the request for reconsideration. I often hear from people who go through the process of having a request for reconsideration done that they're successful in lowering the assessed value of their property or their home, only to find out that the next year, it has gone back up to the price it was previously, and they have to go through the process all over again. Is that because of technology, or is it because you're using, in some cases, older spreadsheets versus electronic records? What is the explanation for why this happens?

**Mr. Carl Isenburg:** We've actually moved through a number of phases on that front. You're quite correct: Prior to the last assessment update, we struggled with the technology and having the right infrastructure to make sure that that got carried from one assessment to the next. With this update in 2008, along with our commitment to providing information to property owners, what we do now is, where there has been an adjustment made for an RfR on appeal, actually, as we provide the assessment notice and update, there will be an attachment to that indicating what was the year of the RfR, was it carried forward and, if it wasn't carried forward, why was it not carried forward? Now, everyone is going to have—and I think we have some 100,000 or so documentations around what was carried forward. I believe if you look at the auditor's comment around RfRs, there has been proper documentation now, and it's been much improved.

**Mr. Norm Miller:** The Auditor General, also on that topic, suggested that on requests for reconsideration, there was little or no documentation in many cases, or managerial reviews were not completed as required. Why is that?

**Mr. Carl Isenburg:** There are occasions when the documentation isn't there, but that's an experience we are actually trying to avoid now, post-2009—

**Mr. Norm Miller:** Have you put policies in—

**Mr. Carl Isenburg:** Yes, we have policies. We've also ensured that managers now provide some oversight on not just the ones that have an adjustment to them, but those that have no adjustment to them, because they're just as important to look at as well.

So we've put new procedures in place, new controls in place. If the variances are beyond a certain point, we then ensure that there's somebody to provide some oversight.

**Mr. Norm Miller:** Switching to procurement: Exactly what steps have been taken to correct the poor business practices in procurement of goods and services that were identified by the Auditor General?

**Mr. Carl Isenburg:** If I could ask Gerry Stuart to help us with that response.

**Mr. Gerry Stuart:** We actually began tightening our procurement practices in the organization going back to 2008. We first began by hiring a procurement manager who has the appropriate educational credentials to deal with our procurements in the organization.

We then began building a new policy framework in the organization, which saw us rebuild 23 to 24 new corporate policies, as well as procurement.

Following that, we created a new accountability framework, a new delegation of authority, and in January 2010 we introduced a new enterprise resource planning system—SAP is the software—which automated a number of our business practices and processes in the organization.

Obviously, with the requirements from the province, we introduced the new procurement policy, which aligns with the province, and we continue to adhere to that.

Not only have we introduced the policy and posted it on our website for all of our managers and staff to refer to; we have trained all our managers in the organization on this policy. In fact, our procurement manager, as part of his KPIs, key performance indicators, has a 100% compliance rate identified.

We believe, through these measures, that we have tightened our processes significantly, in hopes that these kinds of activities will not reoccur.

**Mr. Dan Mathieson:** An example would be the vendor of record for printing services, through the OPS. We are looking at adopting and moving into that, not only achieving savings, but then also falling completely in line with the OPS purchasing guidelines.

**Mr. Norm Miller:** What kind of service contracts was the Auditor General referring to when he noted that a multi-year contract with a potential value of over \$450,000 was awarded to a vendor who scored zero in all selection criteria and was the lowest-rated bidder? Who was awarded this contract?

**Mr. Gerry Stuart:** This particular contract goes back to June 2004, and it relates specifically to a contract with a payroll services provider. The name of the provider was Meta Solutions. We actually did go through a competitive process. There was an RFP released for that, earlier that year. Three vendors were identified. We then went through a selection process. Unfortunately, our documentation was not up to speed. The auditor did find a document rating their score as zero. However, as I say, we have tightened up our documentation process significantly, in anticipation that that won't happen again.

I would also add that in that particular case, subsequent to the RFP process, we took that procurement to the board of directors, and the board of directors subsequently approved that vendor as being the lowest-cost one.

To your point: We've certainly endeavoured to improve our documentation process and make it as transparent as we can, in line with the Ontario government's procurement policy.

**Mr. Norm Miller:** I note that the IT development costs have come in at three times the estimated costs. It was estimated at \$11.3 million; the actual was \$33.7 million. Can you provide an explanation for that, please?

**Mr. Gerry Stuart:** I'll defer to our VP of IT.

**Mr. Antoni Wisniowski:** Specifically, the project was initially scoped in 2001, and at that time, both the time

estimate as well as the associated budget were incorrectly estimated. So in 2004, as the president mentioned, after he and I joined the corporation, we actually went for a reset exercise on the project.

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In December of that year, we had a look at what the requirements were, and therefore we moved forward with a revised plan for implementation, carrying us between 2004 and 2006.

Our estimate at that time was that we would proceed with a new project with a February 2006 deadline, and we went to our board for approval of both that plan and the associated budget. In February 2006, we were actually prepared and commenced our initial launch in inquiry mode of this new system, and then in that year following the Ombudsman's report, the government cancelled the 2006 and 2007 assessment updates, at which point we had to make one more deferral on release of that system until the beginning of 2007.

So from 2004 through to release in 2007, all of the expenditures had been reset under a new business plan that was approved by our board, and every subsequent change to that business plan had been approved.

Prior to 2004, I think the estimate initially was incorrect and there were also some insufficient project controls in place to ensure that we were monitoring and effectively exercising the controls over that project up to that point.

**Mr. Norm Miller:** The Auditor General notes that outside consultants and staff were used almost exclusively to manage and staff the IT projects. Can you explain why that is the case and what were the 122 paid IT staff doing if you were bringing in these consultants to manage these projects?

**Mr. Antoni Wisniowski:** I can comment on that on two fronts. The first is, we moved forward with building this new system. It's a very large-scale legacy migration from a mainframe system into current technologies. The staff we had on board at that time were insufficiently skilled in the specific areas that we required around migration to these new technologies. So our intention was to utilize a team of external contractors in order to move us through the implementation.

In 2004, when I joined, we actually moved the management of that project directly under my purview, so I was acting as the project director for the project itself, and then we started to split out and migrate away from contractor-oriented teams. So our infrastructure project, as an example, which is the setting up of all the servers and all the equipment, moved to an internal team. We started moving our business systems analysts into a paired grouping of resources, both contract and staff, and we started to utilize more staff on the quality assurance capacity.

Since the rollout in 2007, we've continued that, and in most recent years we have now moved where all of the business systems analysts are staff. Over 50% of all the resources associated with this project are now also staff resources, and we utilize contractors only in very

specialized needs, or people who have a very specific understanding of specific components of the system, which they have a unique, vested knowledge of.

**Mr. Norm Miller:** Those contractors that you're using: Are they being sole-sourced? Are they going through an RFP process—

**Mr. Antoni Wisnioski:** We have always used a process of seeking contractors through multiple agencies. We really use staff augmentation firms. We don't use large production consulting houses. Therefore, we are really generally securing individual contractors who come to us through agencies.

Our process for any time we hire a contractor is that we always go to at least three agencies and seek presentation of multiple candidates from those agencies. We select based on that grouping and then we pick the preferred candidate both in terms of skill and also price point.

In 2010, we actually retendered every single contract and we established the new preferred supplier list for all of our contract services for staff augmentation, which was presented to the board, and we now proceed on that vendor-of-record list. We'll have that for three years, and then we will revamp that process again through a vendor-of-record RFP.

**Mr. Norm Miller:** Thank you.

The Auditor General noted that staff were reimbursed on numerous occasions for hotel accommodations within close proximity to their normal place of work. Is this a common practice, and is it the assessors or is it administration staff? What was the total of the inappropriate accommodation costs?

**Mr. Gerry Stuart:** Thank you for the question. Again, this is something that the auditor identified and we have attempted to deal with on a go-forward basis. We have actually strengthened our travel meals and hospitality policy even further than what the government requires, in the sense that we've tried to establish very specific direction guidelines for our managers in terms of on-site business meetings and off-site business meetings. We recognize that, clearly, there are occasions when we need our managers, for example, available to us for off-site meetings that may require them to stay overnight, but we certainly exercise judgment in terms of determining when that's appropriate and when it's not. Certainly, as it currently stands, with the additional rigour that's applied to the policies at hand, we are not encouraging that on a widespread basis.

**Mr. Dan Mathieson:** If I could add, Mr. Miller, to give you a sense of how far we've gone, last evening, for me to be in town today, I wanted to come in. Of course, there are miners and prospectors in town, and you couldn't find a hotel room anywhere. I was able to get one at the Delta for \$269 a night. That is about \$70 over our policy limit, and I have written a personal cheque to reimburse this because we don't allow people to go over that. I want to assure you that we, from the top right down through, take the purchasing policy very seriously.

**Mr. Norm Miller:** What was the value of the one-quarter claims for use of personal vehicles "which could not be substantiated because neither the purpose nor the start- and end-points of the trip were provided"?

**Mr. Gerry Stuart:** If I may just give some context to your question, our motor vehicle policy is one that encourages all staff to use a fleet vehicle, of which we have 218 in our fleet. Following that, if there is not a fleet vehicle available, we encourage, obviously, to rent. Following that, similar to the province, there is the option to use your personal vehicle.

With respect to the amount that that's being used, certainly the numbers have dropped significantly. For example, in 2010 our numbers were at \$87,000 in terms of reimbursable claims. They were previously up as high as \$174,000. The reason why they've dropped is because of the changes to the insurance legislation which happened in the province over the last couple of years. And so, what we're seeing is a steady decline in the number of personal claims.

The other side of that is, obviously, being able to determine where folks are taking their vehicles. Again, as part of our enhancements to our travel, meal and hospitality policy, there is an emphasis on maintaining accuracy in terms of our motor vehicle logbooks, and we are also looking at ways and means of automating those processes to make it more accurate and more reliable as we move forward, because as it currently stands, it's up to the employee to record those mileages and where they've been, and then report them into head office. So we are taking steps to tighten that process and improve our documentation.

**Mr. Norm Miller:** In 2009 you purchased a new boat. Was this done through a competitive process?

**Mr. Gerry Stuart:** The process that followed—again, with respect to the boats, we have a number of boats in our fleet. That was the first purchase that we had made in a number of years. Some of these boats are anywhere from 10 to 20 years of age. The boats are normally your typical 14-foot or 16-foot boats, as we have over 40,000 properties across the province that are on waterfront.

We have looked at renting boats. We have looked at other ways and means of accessing those properties, but relocating the boats as we need them does not make good fiscal sense, as the boats need to be available to us.

What we are doing on that front: Again, pursuant to the findings of the Provincial Auditor, we have installed new GPS tracking devices on every boat—we're in the process of doing that. This will allow us to determine usage. If, as is the case with our vehicles, we find that there is underusage, we'll redeploy those boats accordingly. But, then again, these are low-cost maintenance types of vehicles, anywhere from 14 to 16 feet; your typical 20-horsepower motor on the back. Again, they make up a very small operational component of our organization.

**Mr. Norm Miller:** I think the Chair has indicated that my time is up.

**The Acting Chair (Mr. Jerry J. Ouellette):** At this time, we thank you very much for your presentation. We appreciate you coming forward.

*Interjection.*

**The Acting Chair (Mr. Jerry J. Ouellette):** No, at this time we are going to close the room and go into a

closed session where we will discuss the actions that will take place as a result of today's hearings.

Once again, gentlemen, thank you for coming forward and presenting.

*The committee continued in closed session at 1432.*

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2010 Annual Report,  
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Ministry of Community  
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STANDING COMMITTEE ON  
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Wednesday 23 March 2011

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Mercredi 23 mars 2011

*The committee met at 1232 in committee room 1.*2010 ANNUAL REPORT,  
AUDITOR GENERAL  
MINISTRY OF COMMUNITY  
AND SOCIAL SERVICES

Consideration of section 3.03, Family Responsibility Office.

**The Vice-Chair (Mr. Peter Shurman):** Good afternoon, everyone. This is a public hearing of the Standing Committee on Public Accounts. We're here this afternoon to consider section 3.03 of the Auditor General's report of 2010, the Family Responsibility Office.

For purposes of Hansard, Deputy Minister, please introduce your team and go ahead with your presentation. We'll follow that with a round table discussion, all parties getting an equal chance.

**Ms. Marguerite Rappolt:** Good afternoon, and thank you so much, Mr. Chair. I am Marg Rappolt and I am the Deputy Minister of Community and Social Services. To my immediate right is Bohodar Rubashewsky. Bohodar is our relatively new assistant deputy minister of the Family Responsibility Office. To his right is our director of legal services for the Family Responsibility Office, Donna Holmes. As you know and as the Chair has introduced, we're here to provide you information about our response to section 3.03 of the 2010 Auditor General's report.

I want to start by acknowledging and thanking very much the auditor and all of his staff for his work. The ministry welcomes his findings and recommendations to strengthen the delivery, oversight and overall effectiveness of the Family Responsibility Office. In response, FRO has developed an action plan to address the auditor's recommendations with assigned deliverables, responsibilities and milestones. I'm happy to report that a number of action items are in progress and some are already complete.

Before I talk about the actions and our progress, I will provide you with a little bit of context about FRO and the work it does. Having said that, I know that committee members are generally quite familiar with this program.

Every year, the program handles approximately 180,000 cases and represents 400,000 people, and we have, of course, the highest caseload in the country. Last year, we collected \$647 million in support payments, and

that's about \$50 million to \$60 million transferred to families and children each month.

FRO's work isn't limited to Ontario, as you know. It also has the authority to collect support on behalf of 103 reciprocating jurisdictions, all Canadian provinces and territories, 50 US states and quite a few international jurisdictions, including Australia and Norway.

Achieving these results takes a lot of back office work, the scope of which isn't readily apparent to our customers. For example, each year FRO's lawyers appear in court over 17,000 times. Each month, FRO processes between 30,000 and 35,000 pieces of inbound mail and close to 9,000 faxes, and each business day FRO handles 2,000 client calls through our call centre, while our 24-hour automated information line receives about 7,000 calls every day.

FRO is a challenging program. It's a complex program and it is a challenging program. Every day, staff communicate with support payers and recipients who are going through incredibly difficult and often very emotionally charged times in their lives. There's often acrimony and conflict in the calls we receive, not only in terms of their personal circumstances but also with regard to their opinion of our organization. Many payers feel FRO is too aggressive; many recipients feel the opposite. It's a dichotomy we struggle to balance, of course.

We know that many of our clients go to their MPPs when they have questions, which we appreciate, or concerns about our program. We all have an interest in having FRO succeed. While we know that we have work to do to improve FRO's performance, we are making progress and we strongly believe we're heading in the right direction.

Over the past several years, FRO has taken many steps to improve client service and stem our arrears. Since the last Auditor General's report, we've established the Good Parents Pay website, which has helped locate 31 defaulting payers and collect almost \$150,000.

We've increased jail time for defaulting payers and created a special trace-and-locate unit to find payers in arrears. We've collected \$1.5 million in garnished lottery winnings and almost \$770 million by suspending drivers' licences, and we've introduced a 24-hour automated information line for clients to securely access their case information that helps 200,000 callers each month.

We are engaged in a multi-year modernization project that will transform FRO from an issues-driven reactive

business into a program with a proactive case management business model. When fully implemented in 2012, we feel this new approach will address many of the auditor's concerns.

In the past year alone, FRO has made significant improvements to its business processes, its efficiency and its infrastructure. We have, for instance, implemented a new telephone system that has led to better management of our call centre. Over the last several months, blocked-call rates, a concern raised by the auditor, have gone down by 20%.

We've increased accountability for staff and management and we've established performance measures to improve customer service. We've partnered with Ontario Shared Services in our Ministry of Government Services to print and mail our three highest-volume standard letters to clients, which has accelerated nearly 20% of FRO's total mailings.

The result of these and other initiatives is improved service for clients and more support payments reaching families. In fact, over the past 10 years FRO has collected more than \$6 billion in support payments owed to families, and the collection of support payments is up 19% each month.

Modernization, as you can imagine, is an ongoing process, but it's one that FRO and I and my executive team are completely committed to.

We've been making progress on our comprehensive action plan to address all the recommendations in the Auditor General's report. First, I'd like to begin by speaking about our customer-facing operations.

Our high-volume call centre is staffed by rotating shifts of enforcement officers who handle the 2,000 calls a day. Currently, clients who contact FRO wait, on average, seven to eight minutes to speak with someone. This wait time is about five minutes less than it was during the last audit, but it's not ideal. Because callers can speak to a different staff member each time they call, they often have to re-explain their situation, resulting in a longer call and a longer wait time for other callers.

To reduce the volume of calls we receive and the amount of time clients wait for service, we've taken a number of steps. We've issued personal identification numbers to clients so they can access our secure 24-hour automated phone lines for case updates.

We've begun to engage external expertise to review our call centre operations and identify opportunities for increased efficiency and yet more customer service. As I've noted, we've implemented, proudly, a new telephone system that provides managers with just-in-time information to better schedule staff during busy call periods. This new system will enable us to implement a case management business model by, for example, routing calls based on case numbers.

As you can imagine, many of our client calls require follow-up that results in what we call our bring-forward notes. These notes are created daily. They're part of the way FRO does business. The auditor noted identified weaknesses in this system, which we're acting to address.

In the last several months, we conducted a blitz to review all these bring-forward notes, resulting in a reduction of more than 30%, and we're introducing new training and performance measures so that bring-forward notes are followed up on in a timely fashion and closed appropriately.

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While the actions I've mentioned will help in the short term, what are truly needed at FRO are an updated sustainable business model, a renewed approach to customer service and new technology infrastructure to enable our modernization of the program.

This new approach has already begun to take shape in the way that we reach out to and communicate with our clients. In the fall, we began posting quarterly online bulletins for payers and recipients to give them insight into FRO and to set the record straight on some of the understandable commonly held misconceptions about our program. They're getting noticed. The first issue had approximately 1,400 views in two months, while the second had the same number in just one month. We're also producing a series of online behind-the-scenes-at-FRO videos to help people understand the workings of our organization and fit the pieces together. Since we posted the first one in December, these videos have been viewed more than 2,000 times.

Internally, one of the centrepieces of our modernization plan is moving FRO to a proactive case management model that is more responsive to client needs. This model will give clients direct access to a dedicated case contact, someone who is consistently familiar with and aware of their case.

We have piloted this case-ownership-based model and found that it makes caseloads easier to manage. Each call takes less time, because the enforcement officer already understands the client's situation, and as a result, the officer can spend more time on enforcement activities.

Before we can roll out our new case management model, FRO needs to implement a modern computer system. You know that our current system is over 25 years old. It's slow, it has limited capabilities and it is restricting us from making the customer service and business model improvements we know we need to make.

We are on track to deliver a case management technology solution by spring 2012. The project working on this solution, as noted in the auditor's report, is the FRO case management system, or FCMS. It is the foundation of our case management model. This new technology, for example, will allow FRO to establish a secure web portal where clients will be able to access their case information online, and in future, update their own information online.

As the auditor reported, in 2004 we contracted with a company to replace FRO's old computer system with what was called at that time the integrated service delivery model, the ISDM project. As you know, this project was cancelled when the vendor was unable to successfully deliver a system that could handle the

transfer of historical data from FRO's legacy systems. The decision to cancel this ISDM project, given the urgent business need and the previous investment, was not easy. It was a very difficult decision, but it was necessary.

After the ministry engaged the ministry's chief information officer and our corporate information lead, it was concluded that continued investment in the project held unacceptable risk. It goes without saying that this was not a good result for FRO. It wasn't a good result for our government, for you, for Ontario families, and no one wants this to happen again.

Let me assure you that both FRO and the OPS as a whole have learned from the challenges of that project. Before the current FCMS project was launched in 2007, the ministry hired an independent third party to conduct a full review of that project and to provide recommendations to ensure that our new project would be more effective. That review recommended many things. It recommended that we strengthen our project governance approach, which we've done. For example, I, as the deputy of the ministry, personally chair the project steering committee, and my corporate chief information officer in the Ministry of Government Services is my vice-chair. We have a special procurement advisory sub-committee. We have a full-time audit specialist—my director of audit, who also reports to the Ministry of Finance—engaged in this committee.

The review recommended that we adhere to new government-wide information and technology standards for major I&IT infrastructure projects, including a review process where projects must pass multiple checkpoints from concept through to implementation in order to proceed. It recommended that we increase FRO's business role on the technology project team so that developing the case management system would reflect a clear, deep understanding of the day-to-day operational needs of the business. It recommended a commercial, off-the-shelf solution instead of a custom-built solution—this is a foundational learning across our whole Ontario public service. Finally, it suggested that we follow a multi-stage procurement process, with off-ramps to reduce risks that impact the project.

The recommendations from this review of our ISDM project align very well with the recommendations of the Desautels special task force on the management of large-scale information and information technology projects. This review was commissioned by our Chair of Management Board at that time. The recommendations of the Desautels special task force were submitted to the government in late 2005, and were all adopted and implemented in 2006. In his 2010 report, the Auditor General confirmed that our current FCMS project team is specifically addressing every recommendation of the previous review.

We're moving forward on this project with the utmost care, caution and diligence. I can't overemphasize how important this project is to us all. We all need this to succeed, and we all want it done right.

I'd now like to touch on a few points relating to FRO's core purpose, which is collecting and distributing support. In his report, the auditor noted that FRO is generally successful in processing and getting most support payments to intended recipients on a timely basis. About two thirds of our cases are in full or partial compliance. "Partial compliance"—I'm aware that you are likely quite aware of this—means individuals paying at least 85% of their monthly obligation.

We encourage payers to pay by electronic banking, and recipients to enrol in direct deposit. As a result, we are generally able to process payments for the recipient within 48 hours. We're getting money to the families who need it.

Sometimes, payments require manual intervention, such as when a case number does not match a name or when the payer's name varies from the legal name on the court order. In these situations, payments are placed in a suspense account until we can be sure that funds are going to the correct recipient. To address the auditor's concerns regarding these accounts, FRO has assigned dedicated resources to clear funds from suspense accounts, and we are revising financial policies to process payments as quickly as possible. The unfortunate reality is that for one third of our cases, despite our best efforts, some clients simply refuse to support their children or spouse and others can't afford to meet their court-ordered obligations at that time. As a result, arrears grow.

Payer arrears currently total \$1.7 billion. When FRO was formally established in 1997, arrears were already at \$1 billion—this is a cumulative problem. We all find the very long standing arrears in support payments frustrating. That's why we're continuing to learn more about them and doing a more comprehensive analysis of the data. Although this work is still under way, we've learned already that our top 10% of arrears cases, or approximately 13,000 cases, account for over \$900 million or over 50% of the current arrears. We expect that as we learn more, we will be better prepared to develop a strategy for managing arrears differently and improving collections.

While our first step is always to work co-operatively with payers to help them meet their support obligations, we can and do take enforcement action, as you know, when necessary. There are many things FRO can do to enforce orders: garnish bank accounts; report a payer to a credit bureau; suspend drivers' licences, Canadian passports and federal licences; have a lien or writ placed on the payer's home; seize lottery winnings; and start a default hearing that could result in jail time.

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Another part of the challenge in collecting arrears is locating payers who do not willingly provide us with up-to-date or accurate contact information, so we are actively seeking to expand the trace-and-locate tools available to our staff. As per the auditor's recommendations, work is under way with the Ministry of Health and Long-Term Care to expand FRO's access to the database that contains the addresses of health card holders, a secure and very comprehensive data holding. We expect

that all these efforts will result in the collection of yet more outstanding payments for families.

Finally, I'd like to address the interaction between FRO and the justice system. The justice system is one of our most important partners. However, it can also contribute to some of the delays FRO encounters when it comes to registering a case within our target time frame or initiating enforcement action. For example, if a support order is not clearly written or lacks important information such as the dollar amount or frequency of support payments, we must seek clarification, ultimately causing potential delays in enforcement action. If the court does not issue a writ quickly, a support payer in arrears could sell property, and FRO would then lose an opportunity to collect owed support.

FRO's success relies on a strong, collaborative relationship and the effective processing of court-based documents. As such, FRO is committed to strengthening its relationship with our justice partners for the benefit of our mutual clients. While we develop a long-term and more permanent strategy for engagement with the legal community, we've already launched a number of proactive, targeted initiatives.

As a pilot, we gave a high-volume court access to FRO's support payment database. This gives judges access to the current financial picture for a support case being heard, reducing the need to adjourn until the parties bring in their information.

Last fall, we issued our first quarterly bulletin specifically for the legal community to give members of the judiciary and the bar a clear understanding of what we do and how their actions impact our work. We've also piloted a dedicated court clerk in our FRO office, with access to the court database. This person can process documents in substantially less time, as it reduces the travel time between FRO and four high-volume courts. This clerk has already eliminated a six-month backlog. Because of the success of this initiative, we are extending participation to other courts and adding another 12 months to this pilot.

Earlier this year, we also reached out to court staff with FRO in Action, providing educational tours of our offices and opening up a dialogue on how we can improve related processes and interactions.

Through these introductory comments I've attempted to highlight some of the immediate work we're undertaking to address the Auditor General's concerns, as well as our strategic initiatives to support longer-term business transformation. We did welcome the auditor's observations and we've used them; we've seized the opportunity to strengthen the management of our Family Responsibility Office and continue on our path to becoming a truly modern and responsive organization.

I'm very enthusiastic about the great potential of this organization. I'm eager to see the results from what I believe will be a dramatic shift in the way FRO serves its clients and in the way the organization is perceived.

We'd now be pleased to provide members of the committee with any additional information you may need and respond to your questions. Thank you very much.

**The Vice-Chair (Mr. Peter Shurman):** Thank you very much, Deputy Minister. We'll now proceed to questions. We'll work our way around the table in 15-minute periods, beginning with the Progressive Conservative Party. Mr. Ouellette.

**Mr. Jerry J. Ouellette:** Thank you very much. A number of questions.

I recall in Oshawa, predominantly with shift workers and the difficulty they experience when they get laid off and/or shutdowns take place, these individuals in the past used to immediately be put on arrears simply because they don't have the pay structure, and they would have to go back into the system to try to adjust that. What's taken place to account for those individuals?

**Ms. Marguerite Rappolt:** Thank you very much for your question. I am going to either refer to Bohodar or Donna to let you know if we've been able to make it easier and more straightforward to respond to that kind of worker.

**Ms. Donna Holmes:** Just from a legal perspective, right now the program itself hasn't had the flexibility to really respond to those kinds of situations.

Last year or the year before, if you recall, we also had an Inco strike out in Sudbury, and at that time a number of support payers were involved in difficulties in keeping up with their ongoing support arrangements.

There have been very early discussions with the Ministry of the Attorney General, and we have talked about whether or not the program itself can start to explore ways where we can be more strategic about our enforcement. It doesn't make sense, quite frankly, to proceed with aggressive litigation in a case where someone is on the strike line and it looks like there's an impending strike and there's no opportunity for that individual at that time.

As FRO modernizes and gets more sophisticated, as we learn more about the geographical issues we face in our support payer community, I think we should explore the opportunities to be more strategic about our enforcement, to do outreach to support payers and to explore early intervention, when perhaps at that time we can negotiate voluntary arrangements to offset some of the accumulating arrears. That makes sense, based on the temporary situation that those payers are facing.

That is an excellent point and it's the kind of work that I think a modern organization would have to explore.

**Mr. Jerry J. Ouellette:** I just see that the volume of calls you receive on a monthly basis is so high that you would expect peaks to take place during particular shutdowns and layoffs. It doesn't matter if it's Inco or if it's taking place in the steel plants in Hamilton, the car plants throughout Ontario or the forestry sector; it will be affecting a lot.

I hear a lot about how we're going to address the volume of calls that are coming in, but I think that if we eliminate a lot of these base problems such as this, it'll eliminate a lot of those calls, so you can focus on the real ones that are of real concern.

Will you be able to forward us some information as to how you intend to deal with this issue so that this

committee can review it, and some of the proposals that would make it more effective, or legislative changes that you foresee would be needed in order to address that issue regarding the layoffs and shutdowns?

**Ms. Marguerite Rappolt:** What I may suggest—there may be other issues such as this, but Donna has talked about our consideration. I think we would be prepared, when we are in a position to be able to document some measures we might take or some progress, to absolutely make that available to the committee.

**Mr. Jerry J. Ouellette:** Thank you. Some of the other questions pertain to the—I think it was on page 14 of your presentation. You spoke about how “Sometimes, payments require manual intervention, such as when a case number does not match a name, or when a payer’s name varies from the legal name on the court order.”

We've had situations whereby liens have been placed on houses of individuals who aren't involved in FRO. So what happens in cases and situations like that, where a lien has been put on a house, but they're not involved in any court situations because it's an error of the individuals? How do you deal with those issues, and is there compensation paid back to those individuals who have been displaced by having improper liens put on their houses?

**Ms. Marguerite Rappolt:** I think your question is quite clear, and I think I will call on Donna to talk about our responses in those circumstances.

**Ms. Donna Holmes:** Mr. Ouellette, I am not personally aware of any of those cases. What I am aware of is that, from time to time, writs are registered against a name, the name of a support payer.

We do get calls often from lawyers from the outside who, during the course of a real estate transaction, represent an individual with a similar name. What that requires FRO to do is then confirm that the individual we have a writ against is not in fact the individual who is the subject of a real estate transaction. That is an ongoing part of our business. We have a process in place to confirm identity.

I'm sorry, I can't comment on a fact situation that you have discussed; I'm just not aware of a case. I know that FRO has a process to confirm the identity of support payers. We do registration searches and writs are registered against their name for the purpose of attaching personal property. In the case of a specific lien against a piece of property that is owned by the support payer, we would have conducted name searches in the registrar to ensure the accuracy of that document.

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**Mr. Jerry J. Ouellette:** We've had a number of cases as such in my own riding.

You mentioned the amount of arrears and the outstanding amounts that are out there. I'm wondering if you prioritize the arrears or the individuals in those arrears. What we're having are a lot of cases within our constituency whereby the individuals—and this relates to page 15, the paragraph, “Although this work is still in its early stages, we have learned that our top 10% of arrears

cases, approximately 13,000 cases, account for over \$900 million.” It has taken a year for individuals with \$56,000 in arrears to get a warrant of committal. Is there some way you're prioritizing the levels by which the arrears are outstanding so that those individuals who are in arrears in substantial amounts can be targeted?

**Ms. Marguerite Rappolt:** If I may, I'll start, and I know my colleague Bohodar will be able to say quite a bit more. It is noteworthy to everyone: It's frustrating to have as much money as we do, \$1.7 billion, in arrears. As we noted, it's an inherited situation; these are cumulative arrears. The auditor, we recognize, offered some observations about knowing more, stratifying, learning about how to get the greatest yield on our investment, right? That is our objective. That's our focus. We have some early findings, and I think Bohodar can say more about the findings and how we might be able to proceed.

**Mr. Bohodar Rubashewsky:** Thank you, Deputy. We have, over the course of the last several months, worked with experts within our own ministry, experts who are very equipped to look at our entire arrears database, which is housed in, as we've mentioned—and the auditor mentioned—a 26-year-old information technology system which holds information well but does not provide that information back to us easily in useful form.

But we've begun looking at the profile of the arrears that we have. We know, for instance, over and above the statistics that the deputy provided in her opening remarks, that the bulk of our arrears are quite old. Over 40% of them are over five years old. Some of them, over 10%, are 18 years and older. We have a better sense of the size—call it the cohorts—of the arrears. In FRO we have tended, because of limitations in technology, to deal with arrears on a relatively reactive basis.

This information that we're getting through this research that's under way will allow us, first of all, to get that profile—what sort of arrears; how are the arrears organized on the basis of size, age; what is the profile of the payers themselves who are in arrears—then use that to look at the effectiveness of our enforcement measures. For instance, we want to look at taking different approaches, including partnering with other organizations that are involved in the collection of arrears, to look at strategies for dealing with old arrears and high dollar arrears so that we can focus more of our day-to-day efforts on those arrears, as you say, that are in a relatively low range, perhaps are not that old, and would benefit from certain types of enforcement measures more than others.

That is what we're going to be doing over the course of the next several months: looking at that combination of who are the payers, how long have they been in arrears, what is the size of the arrears, what are the most effective strategies that have been employed against those different profiles, and then really looking at the best approaches for different types of arrears.

**Mr. Jerry J. Ouellette:** A couple more questions also on page 15. I take it from the last one, you mentioned that there's no prioritization for larger ones. It's just basically on the age—how old they are and how active.

On page 15, it says, "start a default hearing that could result in up to 180 days of jail time for the payer." In situations like that, are you finding that's assisting the payers? Because they're no longer able to raise funds in order to pay the outstanding amounts. Is that being used very actively, or how is that functioning as a deterrent and/or is it being effective, seeing as you're removing somebody for 180 days from their ability to raise funds to pay the arrears that they owe?

**Ms. Donna Holmes:** You're right. We do have the authority to incarcerate up to 180 days. That's not always what the nature of the final order is, as made by the judge. I guess it's important to put it in the context that it really is a tool of last resort in our litigation process.

I think last year only about 3.7% of all our cases involved an ultimate incarceration. So you can see that the real goal through the default hearing process, which is what we call it, is to encourage the support payer at that time to enter into an order to pay back his arrears, and is ongoing. It's a rare tool that we use.

As far as your question about the effectiveness, what I can say is that, anecdotally, it is obviously a very compelling tool, and there is no doubt that many support payers, upon their arrival in a correctional institution, find the financial means to pay off their arrears. There are also cases, however, depending on the amount of incarceration—and sometimes they can be as short as a day—where they will serve time. The important thing is, when they come out, they still owe the arrears and we will continue to pursue them, but it is a very sobering remedy that we use, and we use it sparingly and only in the most egregious cases.

**Mr. Jerry J. Ouellette:** I would have thought that arrangements for weekends or that sort of aspect would have been taken into consideration. That allows the individuals to work for the five days and then spend time on the weekends.

**Ms. Donna Holmes:** That's quite right. The orders are usually sliced any number of ways based on the judge's decision about how to encourage payment.

**Mr. Jerry J. Ouellette:** One last question is the inter-jurisdictional aspect. You talk about the other jurisdictions in Canada. I know we've received complaints in that we've had individuals ask us to help because they're out of province.

This particular case was in Manitoba, where the individual tried to pay their responsibilities and became into arrears. However, the relationship between the Manitoba government and the office here was non-existent, to the point where they actually called our office to ask if we could assist them in making those payments, but then the Manitoba government finally said, "Look, we have tried." They sent us a letter listing the number of tries that they've made to pay off these arrears and the arrangements they tried to make, and they said that as far as they were concerned, there appears to be no attempt with the Ontario government to move forward on this and, as such, they are closing this file and no longer requiring you in any shape or form to move forward with further payments.

How can situations like that take place if the relationship should be good in tracking down individuals and that sort of aspect? I realize the volume is there and with smaller arrears it may be difficult, but these individuals are trying to do the best they can and it's not happening.

**Mr. Bohodar Rubashewsky:** I am surprised to hear about problems with any relationships with provincial jurisdictions, so I'd be quite interested in hearing more details about it as a relatively new assistant deputy minister.

We generally have very strong relationships, in particular, with Canadian jurisdictions, and American jurisdictions as well. In the United States, when there is an interjurisdictional support order applicable to a state, oftentimes it's a little bit more complicated than in Canada simply because the administration of child support in many American jurisdictions is at the local county level. We also have challenges in the interjurisdictional support orders that relate to international jurisdictions, but we do have, overall, including US jurisdictions, Canada and other countries, 103 reciprocal agreements, and we do actively engage with our counterparts, both enforcing on behalf of recipients who are in other jurisdictions but also working and providing information to the other jurisdictions to enforce support on our behalf.

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Oftentimes there are differences in requirements for information that we have to overcome, and the nature of the court systems in some jurisdictions obviously varies with ours. But we do very much take as active an approach as we can to understand what information they require in order to pursue enforcement and provide that information on behalf of our recipients.

**The Chair (Mr. Peter Shurman):** Thank you very much. Let's move on to the NDP.

**Mr. Michael Prue:** I have a number of questions about people who call in, and I have to tell you that I find this disappointing. Whenever I phone any government office, not just yours, but with FRO, my office says they wait on the phone a long time, and they used to wait longer.

You've said that overall, in the last several months, blocked call rates have gone down by 20%. Well, that could mean a lot of things to a lot of people. If blocked call rates were 60% and they're now down to 40%, that says one thing; if they were 30% and down to 10%, that says something else. What is the blocked call rate?

**Ms. Marguerite Rappolt:** I'll perhaps start on this very important question, and then I know my colleague Bohodar will be able to follow up. We need to be in the client service business; we are. We want to have quicker response times, lower call wait times and overall better-quality service. On a number of occasions when we've come forward at this committee or other committees, people have asked, "Do you have measurements? Do you have targets?" and I just want to assure the table that we are working hard on that, and we work with other jurisdictions to assess what is best practice.

I would say to you that we're not in this alone in terms of using call centres to serve clients better. You all know

we have a new model of serving Ontarians through our ServiceOntario kiosks. They're in the business of offering more what I would call transactional services. They have standards. They're monitoring what goes on nationally and internationally.

I would just assure you that we are very alive for our need to do better and better. At times, it is all about demand and supply. We have a new telephone system which far exceeds our capacity to know what's going on—that's the most important thing, what's going on—in terms of call volumes and the deployment of our team to respond to our customers as best we can. I'm feeling very good about that this past year. That does not solve all of our client service demand issues.

You asked, 20% better than what? When Mr. McCarter and his team audited the program, it was the case at that moment in time—these things vary—that we had about an 80% blocked call rate. That's a bad rate. We now know, even though it's highly variable—I can't guarantee it if you went out there and measured today, but we've been monitoring this very closely—that our new telephone system allows us to do a lot better on this. Fairly consistently, we are 20% down. We've had way better months than that, but 20% down from that. That's just one measure of who gets through and how quickly. There's the broader issue of once you're through, how long you wait and how long your call is. We're in the business of improving this whole part of our customer service.

I'll just invite Bohodar, if he has anything further he wants to say on the call centre operation.

**Mr. Bohodar Rubashewsky:** As the deputy noted, our telephony system, the one that was implemented in the summer, does provide us with much more information than we had in the past, and among the pieces of information that it does provide us—although we have to do more work in terms of being able to pull this information out on a regular basis—is that we now have a better sense of how many unique callers actually try to get through to the call centre because we're able to track—not keep, but track—on the basis of call IDs.

We've undertaken a few snapshots over the course of the last several months, in particular on high-volume days when the call-block rate was quite high—again, in the 80% range—and we found that about 50% of the individuals who tried to contact us were able to get through on their first attempt, and another 10% to 15% were able to get through on their second attempt. For others, of course, it took much longer; they made multiple attempts to call us, and some didn't get through at all.

The call blockage rate is a significant issue for us because, obviously, as people get frustrated as they try to call in, they redial on a multiple basis, and it backs the entire queue up.

What we have been doing over the last several months is taking a much more rigorous approach to, first of all, the way that we schedule our staff to the extent that we're able to, now that we have a better sense of the ups and

downs of the day, have staff on hand and they are actually answering the phones when they're supposed to. Schedule adherence is an important focus for us and will be an important focus for us.

Certainly, the time that a caller who does get through and is in the queue—the shorter that time frame, the lower the call blockage rate because there isn't such a backup. We are trying to keep those call wait times down so that more people can get through.

**Mr. Michael Prue:** A couple of things happen as a result of this. First of all, people, when they finally do get through, usually are much more angry than they would be if they weren't, which is then taken out on staff in longer calls.

The second thing, and I'm sure most of the MPPs here will agree, is that some of these people give up in frustration and end up in our office, and then our staff phones you, which takes our time as well, and people have to travel some considerable distance to come to the MPP's office and sign forms so that we can ask questions. This is, as a matter of fact, a terrible system.

Can you comment on that? Because you're actually making work for all of us.

**Ms. Marguerite Rappolt:** Yes. I'm pleased to start this answer, and Bohodar may have more things to say.

I guess I'd suggest that I'm very aware. I've worked in a number of program areas in the Ontario public service, and a couple of those are the areas that push through the most-volume calls for the offices of our members of the provincial Legislature, so I understand what this must mean for you.

Here are the things that I've observed that I think are helping us move in the right direction. I think that we, in the program, working absolutely transparently and with the support of my minister and her office, want to be transparent and offer assistance to all MPPs' offices so that we all can do together what we should be doing, which is helping recipients or payers resolve issues and get money through to families.

I just want to say that I think that we've progressed in our understanding, transparency and commitment to be responsive to help you. I know that the team in our minister's office, who assist with us, are very dedicated and very much want to listen to more advice on how we can improve the work you do on behalf of your constituents. I know that there has been some special outreach that has gone on. I'd just say that we're open to this. We very much believe, the FRO, that it is our job to be responsive to your needs, because we're all serving the same clients.

Bohodar, I don't know whether you've anything else.

**Mr. Bohodar Rubashewsky:** Yes. Thank you, Deputy.

As we referenced in the response to the Provincial Auditor's report, we're also quite actively engaged in going to experts in the field beyond the Family Responsibility Office to look at best practices for managing our call centre operations, organizing staff in the most effective fashion and also utilizing in the most effective fashion the new telephony technology we have.

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For instance, we've been actively consulting with ServiceOntario, which operates call centres around the province. The nature of the calls and the issues those call centres deal with, I would say, are materially different from those to the Family Responsibility Office. The time that a ServiceOntario representative interacts with a client or caller, for instance, is significantly shorter than an FRO enforcement services officer or representative does, because they're generally inquiry calls as opposed to, effectively, case management resolution calls. That being said, they've acquired a significant amount of expertise, and we are actively engaging them.

We have also brought in external expertise. They're now undertaking their analysis of our operations. We expect to have some results from that review soon—in the next month or two. We've asked them to look at customer service and at the way we route calls: Is it the most effective way to do it? What sort of reporting and metrics, beyond what we have put in place in the last several months as a result of the introduction of the telephony technology? Workforce management and performance: What should we do based on best practices in similar types of environments, either in the public or the private sector? What can we learn from others? What can we do better? That work is under way.

I'm hopeful that that expertise, both internally within the government and externally, will provide us with some solutions to the current challenges we have that you've referenced.

**Mr. Michael Prue:** It seems to me that (a) in all likelihood you're understaffed, (b) in all likelihood the telephone system isn't adequate to the number of people you have and (c) you could have a problem with people getting sick as a result of a very stressful job—I understand it's around 20 days a year, which is pretty high.

What is it that you need? Do you need an extra hundred bodies to answer the phone? Is that what this is all about? Being pretty blunt here, what is it about? You go and do all these studies, but in the end, if you don't have anyone to answer the phone, what is going to be the result?

**Ms. Marguerite Rappolt:** I'll offer a few observations on this. Building a stronger organization at FRO, you're absolutely right, is about many things together.

Sometimes I think, over this last while, for perhaps obvious reasons, we internally and then people looking in at us tend to think it may be predominantly or exclusively about getting the technology right.

What I want to say is that I know, and I think members know, that we can't get an excellent service performance system without improving our technology. On the other hand, getting the technology right on its own isn't going to address the issues you've raised, Mr. Prue. It is a complex and interconnected set of improvements that we need.

We need to become smarter and more efficient in our business practices and study what's going on in these kinds of—and we're doing that very actively. We do

need to monitor what I would call our inputs: our staff levels.

I'm very pleased that if you looked at our estimates books and so on, you would see, particularly this past year, that our government responded to our business case and our need for graduated increases to this program.

Might we need more staff to successfully deliver a full case management model? I think others at this table have said to you that we may well. Having said that, Bohodar's focus, which I appreciate so much, isn't just about putting more resources around our current business models. That's not how all of our businesses are run today. It's about evolving the business in modern ways to find more efficient and smarter ways to offer the service.

You talked about, do we need more staff? We need to keep deploying our very fine staff as efficiently as we can. In the end, we may need yet more than we have. We're not in an environment—no government's in an environment—where additional public service resources is going to be an easy solution. We're very aware of that.

You talked about the telephone system and then you talked about our organizational health and the fact that—and the auditor noted in his review—it is the case in this organization that sick time is higher than on average in the Ontario public service. I would say to you that this is stressful work.

**Mr. Michael Prue:** Of course.

**Ms. Marguerite Rappolt:** I know many of you—I go up and I monitor or benefit from sitting with and learning from the work that our colleagues do. So, if we monitored across other jurisdictions, it is likely the norm that for this kind of business, absenteeism may be slightly higher than the average of the organization. Are we where we want to be on that front? We aren't.

Bohodar, I wonder if you just want to say a bit more about some of the organizational improvements that we have under way.

**Mr. Bohodar Rubashewsky:** Certainly. Thank you, Deputy. Two important aspects to reducing that sort of call volume and spin are communication and as diversion. For instance, about 57% of calls that are made into the call centre are payment inquiries, recipients calling, "What happened to this payment? I was expecting it." We have relatively limited information available on our interactive voice response system. It has a limited amount of information about most recent payments and status of arrears and enforcement actions taken on a case.

Certainly as part of the introduction of the new FRO case management technology system, we will be introducing an electronic portal, a web-based portal to provide, as the deputy indicated, more information on the cases themselves. Certainly a lot of what clients need to get from FRO has to be done via contact by telephone, and the more that we can divert to other channels, channels that other jurisdictions have introduced, the less stress there will be on the call centre itself.

The second is communication, providing recipients and payers with more information about FRO, about the procedures that we have in place so that they don't have

to look for that information by actually having to interact with our enforcement service representatives and enforcement service officers.

**The Vice-Chair (Mr. Peter Shurman):** Thank you very much. We'll move on in a moment, but I'd like to take the Chair's prerogative and ask a question of my own. By the way, I might make the observation—I don't know what we're doing on this side and you on that side because you'd do well in the October 6 election.

Having said that, I see this as you've described, Deputy, as a multi-faceted problem, and I don't envy you your job. Having said that, the intake seems to be the obvious first line of defence and your defence is not to be able to handle the calls. Because even if you had 80% unanswered or abandoned calls and you improved by 20%, depending on whether you take that as 20% of 80% or just 20%, you're somewhere in the 60%-plus range of calls that don't even get answered before you get into a wait queue.

Have you—any of you can answer—ever considered outsourcing the call centre piece?

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**Ms. Marguerite Rappolt:** I'll start. The most honest thing for me to say is, I really can't commit that what anyone in this job or Bohodar's job has ever done—but I would say responding to calls from recipients and payers in an integrated case management framework, recognizing our job really is to ensure the transfer of money, getting payments into the hands of families: Those represent pretty core elements of our business.

There are other elements of our business—how we transfer paper—where we are experimenting successfully in having others who are more expert than we are do it for us. So we're in the business of looking smartly, I hope, at the elements of our business that lend themselves to other expertise. The back office stuff generally comes front of mind and we're hard at work on that.

**The Vice-Chair (Mr. Peter Shurman):** I understand the back office part of it, and I wouldn't—

**Ms. Marguerite Rappolt:** But for the call centre, in answer to your question, there's no active consideration on our part of that. As Bohodar said, we're very carefully monitoring what other jurisdictions do. Predominantly both the call response—response to any channel, but certainly call—and the receipt and payment of support are core elements of this program dominantly done by governments.

**The Vice-Chair (Mr. Peter Shurman):** I'd look at the top end of it—and I'm not asking for a response on this—only for one reason, because absent your call centre's ability to take the volume that you've got, there are a bunch of people around this table with MPP after their names who are taking that overflow.

Over to the Liberals and Ms. Sandals.

**Mrs. Liz Sandals:** Mr. Balkissoon will lead off this round. You can give me the next one.

**The Vice-Chair (Mr. Peter Shurman):** That's fine. Mr. Balkissoon.

**Mr. Bas Balkissoon:** I have a couple of questions, but based on my colleague across the way's question regarding resources, I'll start with this one.

I'm hearing from the others around the table that this particular office, FRO, had been established in 1997, according to your notes—and reading somewhere else, the issue of improving the operations of FRO has always been an issue in front of this committee. Can you take the committee through what has happened since 1997 to today in terms of investments in this office, resources to this office, so that we could improve the operation, or what has happened, so that at least I could get a little bit of a picture of where we've gone and why we're in this state?

**Ms. Marguerite Rappolt:** Depending on how satisfactory you feel my answer is, I may commit to offer more information after the fact. But what I'll suggest is, you're right. The program in its current configuration came about and, as we all know, was organized in a range of different ways. At one point, it was a regional office with regional oversight, and then moved to a more centralized footprint. At about the same time, the accountability was held in the Ministry of the Attorney General in the very late 1990s and early 2000s, and came to the Ministry of Community and Social Services in early 2000s; that's by way of saying, as programs do in the Ontario public service, there's a bit of shift and move around.

The most complete data I have in front of me right now is more from, I would say, the time of our auditor's last report, which is 2003. So that's what I'm able to offer to you, and if you feel you need more, I'm happy to follow up.

At that time, FRO was about a \$31-million program. In terms of FTEs—I stand to be corrected—I think we were around the 400 mark in about the 2003-04 time period, at the time of the previous Auditor General's review.

**Mr. Jim McCarter:** There was about 400 in 2003, when we did the last audit.

**Ms. Marguerite Rappolt:** Yes. Thank you so much. So 400; that was at that moment in time. Now, I'm very pleased to note that the FRO program is a \$50-million program. That's about a 55% increase from the time of the last audit.

If you toured, as I need to occasionally, what happened year in and year out in the estimates and so on, I think what you would see is some ups and downs in the budget. That's not unusual for a program such as this. I'll just comment on a couple of those.

On one hand, you would have seen some investments in the early 2000s, just after Mr. McCarter's earlier audit, reflecting the resources to do the previous technology project. So you would see a little lift. Then, later on—and I'm recalling that Chair Sterling sometimes asks these questions, so I had them in mind when I came into the room. If you looked at estimates in fiscal year 2009-10, you would have seen a drop—and I'll tell you about that drop; this, again, happens sometimes—from 2008-09 to

2009-10. Ten million dollars was seen to be lifted out of the FRO program. That had to do with accounting. That was the year we shifted to the new accounting mechanism. So the operating dollars associated with running our information system, the big legacy—that \$10 million shifted out of the FRO budget but presented in my ministry's budget in a capital line.

I hope I'm answering your question. If you surveyed this, you would see some ebbs and flows, but I think over about the last decade, certainly from the last report of Mr. McCarter, you would see a budget going from about \$31 million to \$50 million, an increase of 55%.

**Mr. Bas Balkissoon:** How many FTEs did you go to?

**Ms. Marguerite Rappolt:** From about a 400 threshold, we are now at 450 FTEs.

**Mr. Bas Balkissoon:** In your presentation you sort of covered the FRO computer system a little bit, and basically told us that you were on the road to a particular system that you abandoned. Can you tell us what went wrong with that system? What led you to the decision to get rid of it, and what assurances can you provide us that this new system, which you're now going to implement in the spring of 2012, will give us all the tools that you're looking for? And if you could sort of give me what your goals are to see where the office will be, say, in a year's time or two years' time, in terms of some of the issues we've heard around the table.

**Ms. Marguerite Rappolt:** I'll do my best. Lessons learned of what went wrong: There are many, and I did review some of them in my address.

What I wanted to note was, in addition to us looking long and hard at our own project in 2004-06, at the same time, the Chair of Management Board for our government recognized that learning to do business transformation and technology projects to enable business transformation well was something that was certainly bigger than our FRO project or my ministry. It was something across government that we needed to learn more about.

I would say that the work that was done by Mr. Denis Desautels through his broader review of large information technology projects—and that reported in 2005—really is the guidepost for how we in the Ontario public service govern, manage and deliver on business transformation through technology.

That expert panel had a range of eminent experts, including our current Governor General, David Johnston, from the University of Waterloo, who was brought in to look. So I would just say that it was likely in response to an urgent need. It identified key themes and areas of improvement, and those areas mirrored our own experience.

I would say that the people who sat here talking to this committee in 2004, with the information they had, felt they were exercising best practice. I'm just reminding us that these are moments in time in what we know and what we don't know.

In terms of the key themes we were left with, one was on governance and oversight. Mr. Desautels and our own review said, "You don't have it right. You're too narrow."

Don't leave oversight of these technology change projects and relationships with vendors. Don't leave it up to a ministry alone because we just don't have enough knowledge. Up the game, raise the accountability to the centre of government within your Ministry of Government Services, build the expertise there and ensure that they work with line ministries in building the right controllership and oversight for these projects.

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I would say to you, I'm living that right now, and that's a good thing. I'm accountable for this project, but I sit here with the chief corporate information officer for the government and we're in this together. So that's a good thing.

The management of the projects—what was learned through the Desautels task force and our own was that we didn't understand best practice in how to approve and design the work that needs to be done. In our situation, we need new software, we need someone who's excellent in understanding how to build a case management model and then we need a system built and tested.

We received all kinds of recommendations and we're administering them regarding the gating that we use, the careful risk assessment about how we design and implement one part of the project before and as we move to another part of the project.

We are following all those practices. There is a regular controllership reporting on a quarterly basis through to our treasury board and Management Board on the status of this project and all major application projects.

The last thing I'd say is, there were points in time when we also felt that it was all about technology transformation, and if we just had the technology transformation right, we'd be on good footing. One of the hardest things—I think my colleagues at government services and I would agree with this—is embracing the fact that it is about business transformation. This gives Bohadar long weeks and his team long weeks, but it's really our obligation to be able to, in a very disciplined way, define our business needs. That's what these changes come down to. We're the ones who have to do that. We need to work with our vendor partners and our technology experts, saying, "Okay, how does that translate into building a case management system?" But I think the thing that is the most profound learning in our organization and many organizations is that definition of the design of the business.

The tendency is to want the world and say, "No, no, no; we need lots of bells and whistles. We need all of the capacity to do it seven different ways." What we know is—and our government has accepted this—that often spells trouble, and the more we can design our business needs to fit into standardized products, the more successful we're going to be in delivering on these projects.

**Mr. Bas Balkissoon:** Can you tell us, in terms of your new system, do you see it improving the call centre in any way?

**Ms. Marguerite Rappolt:** I'm going to start on that and Bohadar's going to come in quick.

First of all, part of our project is the upgrade of the telephone system. It is a huge start. I'm very pleased with that. We intend to have a portal, and we will be delivering by spring on a web portal that allows access and information in a way we don't have now. It will move into an interactive portal. That will be very, very helpful where in a secure, reliable environment payers and recipients are going to be able to populate information themselves, so the opportunity for error and delay is completely eliminated. We absolutely can't wait to see those results.

**Bohodar, did you want to add something?**

**Mr. Bohodar Rubashewsky:** Yes. A few other aspects of FCMS that will be of great assistance are, first of all, an ability to actually manage the case from the first point of registration. At this point, because of the limitations of our technology, the registration process, the initial gathering of information, occurs somewhat separately from the transfer of that information to the enforcement function, because we have to await the arrival of a court order and the interpretation of that court order before any kind of enforcement action can occur, or even the initial establishment of verification of income sources and the like. The new technology will allow us to begin work on the case even before the court order is received, to have that preparatory work under way.

Second of all, the technology is being built not to do enforcement, because it is just a tool. Enforcement needs to occur based on the judgment that enforcement officers bring to a case because each case has its own unique characteristics and can't simply be based on rigid rules. But the FCMS will proactively flag certain circumstances to an enforcement officer in a much more effective fashion than currently occurs.

Oftentimes now, because of the way that the information resides, the first enforcement action against arrears that's taken is when a recipient informs the Family Responsibility Office that the case is months in arrears. We'll have the ability through FCMS to have certain circumstances, certain business rules established so that recommended enforcement action is flagged to the enforcement officer on a case.

For instance, we consider proceeding with a driver's licence suspension when a case is three months in arrears or \$3,000 in arrears. Obviously circumstances really dictate whether that is the appropriate action to take, but that information, the status of a case, will be brought forward to the enforcement officer in an active fashion so that the enforcement officer can make that decision as opposed to waiting for it to occur somewhat reactively.

**The Vice-Chair (Mr. Peter Shurman):** Thank you very much. Just for planning purposes for everyone, what we're going to do now is go back once around the table for up to 20 minutes per party. If you don't need it, that's fine. Then we'll go into closed session for about 10 minutes to give some instructions to our legislative research person. So, for your planning purposes, you'll be out of here in an hour at the most.

To the Progressive Conservative Party. Mr. Ouellette.

**Mr. Jerry J. Ouellette:** The deputy mentioned about this interactive portal and how it's going to alleviate a lot of the problems, or you expect it to. Has it been tried in other jurisdictions? How's the success rate been in other jurisdictions that it's been tried in?

**Ms. Marguerite Rappolt:** Thank you for your question. I know web portals are available in a number of jurisdictions, but the place we want to get to, as I said, is that interactive portal, and I believe a jurisdiction or two are live with it. If we don't have all the information, we will get it to you, but I think it could be the province of Alberta. But I'll defer to Bohodar.

**Mr. Bohodar Rubashewsky:** Actually, within Canada, British Columbia is the leading example. In that jurisdiction, clients have an ability to review payment information, to access enforcement records—a range of things. In other jurisdictions, they're able to actually electronically receive updates on their case, access forms and letters and actually have a self-service aspect to it.

**Mr. Jerry J. Ouellette:** That's the intent for this portal—

**Mr. Bohodar Rubashewsky:** Over the longer term, it is. Over the short term, as we introduce the FRO case management system, we will focus on providing more case information kind of on a static fashion to clients, more than is the case now. Over the course of time, as we develop the system—because it is going to continue to be a work-in-progress, and the advantage of utilizing an off-the-shelf application is that it is much more efficient and much less risky to actually continue developing the application, a much more cost-effective approach than having a customized product that requires a lot of one-time development work.

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As the system is introduced, and as we develop it further, we hope to be able to introduce self-service features; for instance, so that if either a payer or recipient needs to change the address that they have on record with FRO, they can do so electronically. Currently, they have to call the call centre to provide that information or provide it by mail.

**Mr. Jerry J. Ouellette:** So when you looked at this proposal that came forward, the interactive portal, what sort of percentage reduction in call volume or volumes were you dealing with in BC? What would you expect here once it's at the two different stages that you're talking about?

**Mr. Bohodar Rubashewsky:** I'm not aware of—I don't have any statistics from British Columbia or other jurisdictions that would indicate that. We have undertaken an interjurisdictional survey of 21 Canadian, US and international jurisdictions. That information may or may not be available in that survey. We've just received the results, and we're analyzing it.

In terms of productivity or the degree to which calls could be diverted, it's really difficult to say. All I can say is that because payment inquiries, as I said previously, constitute almost 60% of the calls that we receive, if payment information is provided on the portal in a more

rigorous fashion, a more complete fashion, in a manner that's more accessible than the IVR that we have now—with any IVR system, it's not as easy and as accessible to use as a web portal. We would hope that at least a significant portion of those inquiries would be diverted from the call centre.

**Mr. Jerry J. Ouellette:** If 60% of the calls are dealing with payments, and this portal system is coming forward, I would have thought you would have tried to bring forward a system that would target that specifically in order to reduce the maximum number of inquiries that you're receiving, to give the individuals that are currently working in the system the ability to deal with the other issues. You're saying that this won't alleviate the problem with the 60% of inquiries regarding payments?

**Mr. Bohodar Rubashewsky:** No. As we have more accessible information on payments through a web portal, as I said, we're hopeful that inquiries that otherwise have to come through to the call centre will be diverted. Some of the information that we're looking to provide on the web portal is a full statement of arrears on a case. Currently, with the IVR there's relatively limited information that's available on most recent payments or most recent arrears. Having that full picture of the case from its registration and the full record of payment will make it just easier for people to understand what is happening with their cases on both the recipient side and the payer side.

**Mr. Jerry J. Ouellette:** In regard to other jurisdictions, I would imagine that they would have similar inquiries or percentage of volume of inquiries regarding payments. What do other jurisdictions do to alleviate those payment inquiries in order to reduce their number of inquiries?

**Mr. Bohodar Rubashewsky:** They do have these web-based portals. Of the 21 jurisdictions that we surveyed, Ontario is the only one that does not have an electronic channel of information other than a static website. The challenge that we've had to this point in establishing that kind of capability is, again, tying a web service into a mainframe computer system which is a very old one and, therefore, very difficult to manipulate to add additional types of applications or additional types of channels. That has been the real challenge for us. With the implementation of FCMS, we do have that modern scalable, connectable technology that we haven't had in place in the past.

**Mr. Jerry J. Ouellette:** Just before I turn it over to my colleague, I just want to say that I have some concern that what I'm hearing is that we're coming forward with systems to deal with the volumes of calls to address the system as opposed to the reason for the calls. I think if the reasons were more targeted and specific, it would reduce the volume, as opposed to just trying to accommodate the volume of calls that come in.

I know my colleague has a number of questions.

**Ms. Sylvia Jones:** Thank you. What are the hours of the call centre?

**Mr. Bohodar Rubashewsky:** The hours are 8 to 5, Monday to Friday.

**Ms. Sylvia Jones:** Has there been any change in the absenteeism rate since the Auditor General's report?

**Mr. Bohodar Rubashewsky:** The absenteeism rate currently is about at the same level that it was at the time of the provincial auditor's report.

**Ms. Sylvia Jones:** And that's 20 days a year?

**Mr. Bohodar Rubashewsky:** It's about 20 days.

**Ms. Sylvia Jones:** Has there been any action on trying to improve that?

**Mr. Bohodar Rubashewsky:** There are several that we have under way. There are really two branches of work that we need to do and that we're actively engaged in. First of all, as the deputy indicated, it is a very stressful environment to work in. It is an environment where clients, because of the business model that we have, do call us. By the time they get to us, they are quite frustrated—

**Ms. Sylvia Jones:** Well, they're even more frustrated when they call us.

**Mr. Bohodar Rubashewsky:** I'm sure they are.

We are looking at different approaches to increasing not just morale within the organization, but having them more involved in the design of the program itself. That's an important area of work that we have under way. On an ongoing basis, we are engaged in streamlining the policies and procedures that we have in place in FRO to make them simpler, less onerous, not just for clients but for our own staff. We are actively engaging the front-line staff in that work so that they have a role to play and they're able to provide value-added in the actual work that they do.

We are looking at how we can organize the work—the shift schedules and the like—to, on the one hand, ensure that we have the appropriate resources in place at the appropriate times during the time of day or the day of the week to deal with calls from clients, but on the other hand, provide some degree of flexibility and ability for staff to trade time to have flexibility to deal with family issues without affecting the operations of the call centre.

Thirdly, we are going to be taking a much more rigorous approach to attendance management and attendance support. The absence rate that we have in FRO is quite variable. We have a large group who are within the threshold that has been established within the Ontario government. Others have a much longer period of absence at any given point in time. Really, focusing on why people are absent, requiring more rigorous provision of medical information if they are absent, interacting with them, dealing with them on why they're absent and what the organization can do to—

**Ms. Sylvia Jones:** And that has not been implemented yet? Is that right?

**Mr. Bohodar Rubashewsky:** We're actively engaged in it now. Certainly, the organization, over the course of time, did quite a bit of work on attendance management, but I am putting it in as a very, very specific performance requirement of the managers, the supervisors, in the Family Responsibility Office. We're going to be educating our own employees much more rigorously on their

obligations under the attendance management guidelines that we have in place within the Ontario government. I don't want to say that that work was not under way in FRO and has not been under way for many years, but we have to pay much more attention to these sorts of things.

**1400**

We now have greater management oversight in the organization as well than we did in the past, and that is going to assist us as well. FRO, in the past, was a very flat organization. The supervisory level was quite flat, and we've added managerial capability to take a more consistent approach, both to the way that employees do their work but also the management of our staff, both taking positive approaches to managing the workplace but also ensuring that the requirements that we have as managers in managing staff are fulfilled.

**Ms. Sylvia Jones:** On page 1, you made reference to your 103 reciprocating jurisdictions where you have agreements. What was the most recent addition to that? Are you, on an ongoing basis, continuing to expand that?

**Mr. Bohodar Rubashewsky:** We are. I can't actually speak to the most recent jurisdiction that was added—

**Ms. Sylvia Jones:** I'm not so interested in which jurisdiction, but when was the last time there was an addition?

**Mr. Bohodar Rubashewsky:** That I don't have information on. We can certainly provide that to you.

**Ms. Sylvia Jones:** Okay. On page 8, you make reference to a blitz of all your bring-forward notes, which I know, again, was something that was highlighted in the Auditor General's report. While the blitz seems to have resulted in some reduction, how are you ensuring that that is not continuing on an ongoing basis, because you can't just do a blitz every six months.

**Mr. Bohodar Rubashewsky:** We are taking two approaches: first of all, revising the policies and procedures that we have in place for the utilization of those bring-forward notes. We found, as we undertook the blitz that was referenced in the deputy's comments, that the notes themselves were not being utilized in the way that they should. There were a number of notes that were information notes that remained open even though there was no action required—

**Ms. Sylvia Jones:** Is that because there weren't specific case managers assigned to a specific series of recipient?

**Mr. Bohodar Rubashewsky:** No. The notes themselves were being used almost as Post-it Notes for the case managers themselves. They would remain open on the system—they would appear to be open and therefore not be actioned but in fact would have no action required as a result of them. We're clarifying the fact that the notes—that the BF system is to be used generally to generate actions and follow-ups.

There were a number of duplicate notes that were on the system that we've closed off, and the policies and procedures, as I've said, that we're establishing for those notes are going to be much more specific about when

they should be closed and what they should be utilized for.

**Ms. Sylvia Jones:** On page 10 when you talk about the new technology—what are you calling it?—FCMS, is there a component in there that will deal with accessibility in terms of deaf-blind and individuals who can't use the more traditional methods?

**Ms. Marguerite Rappolt:** Thank you very much for the question.

There is. As you know, our ministry is very attentive and very proud of the progress we're making on accessibility broadly through our legislation and the introduction of standards, so as one would hope and expect, I and my team are paying close attention to this. Actually, the technology folks who serve this ministry are the community of practice for accessibility across the whole government. I'm very fortunate to have embedded within our organization expertise and accountability for accessibility for this program and others.

What I would say is—

*Interjection.*

**Ms. Marguerite Rappolt:** That's it, the portal. Bohodar is reminding me. I was going to say that the channels we've just introduced—the new telephone system but also the portal: There will be compliance measures with our new legislation there. Others will be able to speak to this in a more detailed way than I can, but there is access right now through our telephony system for those who need assistance with communicating. So, we are on to it and we have special measures to make sure we will be in compliance.

**Ms. Sylvia Jones:** Okay. Mr. Balkissoon made reference to the previous vendor that was ultimately cancelled, but I have never heard—or maybe I missed it. How much did that cancellation process cost?

**Ms. Marguerite Rappolt:** In the Auditor General's report on technology and on the previous project, he offered a detailed chart—I know it very well; figure 4—on the cost of the project and the various elements.

In our work with our vendor, which we stopped because we came to realize that, unfortunately, we were not going to get to where we needed to go, we paid, and it's demonstrated in Mr. McCarter's metrics, \$1.2 million to that vendor.

I would go on to say, and as he reports as well in the audit findings, that the ministry did pursue, as is necessary at times, legal action with the vendor, and there was a settlement with that vendor that was mutually satisfactory to the parties. I'm not at liberty to say more about it than that.

**Ms. Sylvia Jones:** On page 13, you talk about "two thirds of the cases are in full or partial compliance." Is there any action on partial compliance or are those considered files that don't need follow-up?

**Ms. Marguerite Rappolt:** I'm going to let Donna or Bohodar go at that in more detail. I'd just say this: Full or partial compliance, our two thirds with that result—that is fairly consistent with support programs across Canada and interjurisdictionally.

**Ms. Sylvia Jones:** Right. I understand that.

**Ms. Marguerite Rappolt:** But I hear your question, which is: Do we leave the partial-compliant files—is that good enough? I think the answer is, “not,” but I’m going to let someone offer you more detail.

**Mr. Bohodar Rubashewsky:** We do, in all cases, whether they’re partially compliant or non-compliant, continue enforcement action. Our objective is to have not just the monthly support paid but the arrears paid down, whether it’s through the pursuit of voluntary arrangements or through the other enforcement actions that we have, regardless of whether an individual is not making any support payments at all or making partial payments towards their monthly obligation. If arrears exist, then we continue enforcement action.

**The Vice-Chair (Mr. Peter Shurman):** Thank you very much. Time is up.

**Ms. Sylvia Jones:** Oh. But I’ve just begun.

**The Vice-Chair (Mr. Peter Shurman):** I can’t help it; it’s 20 minutes. Over to the NDP. Mr. Prue.

**Mr. Michael Prue:** I just want to go back to this whole thing related to the FRO’s computer system integrated service delivery model, ISDM, project. I think anybody watching on the outside would be shocked and perhaps appalled that seven years have gone by and really not much progress has been made at all. Why does it take so long?

**Ms. Marguerite Rappolt:** I really understand the question. As I said, this is complex. This journey has not been an easy one.

Seven years ago, in 2004, my colleagues were here talking with enthusiasm and hope about the beginning of the previous project. As was noted, we came to a realization throughout the life of that project—it wasn’t complete yet—that regrettably it wasn’t going to deliver what we needed from a business point of view. That determination was made at the end of 2006. I would say that as early as the next fiscal year, 2007-08, we did turn our minds to: How do we move forward?

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I would say, on the organization—I’m reminded of this—in any organization, there is some momentum that is just understandably sapped when you’ve put your heart and invested in a project and it hasn’t gone the way you thought. That’s just by way of saying, for the organization ministry, there were learnings we needed. There was a little bit of pause time, I think, to recalibrate and make sure, as we went forward with our new business case—to convince our treasury board and Management Board colleagues that we could do this again. That took a little bit of time, but I would say that as early as fiscal year 2007-08 and 2008-09, we were on it and we had already secured some of the approvals we needed.

You have to be relentless at this. You have to be a bit brave and learn from what went wrong, go forward, build your new case and move forward. We had the great advantage of a lot of good advice and exploring that had been done government-wide regarding how to make improvements.

Mr. Prue, these are not short-term ventures, and I acknowledge that. We have to be cautious and diligent. We have to follow all the right procedures, but the good news is, we are feeling confident that we’re going to be able to make this business improvement by the spring of 2012.

**Mr. Michael Prue:** You anticipated my next question, because you said that you were ready, according to what you said today. In the 2010 report, the Auditor General confirmed that the FCMS project team is specifically addressing every recommendation of the ISDM review. Now you’re looking at the spring of 2012.

**Ms. Marguerite Rappolt:** Yes, and that has been our plan.

**Mr. Michael Prue:** And will that be operational or start-up—starting to get it together?

**Ms. Marguerite Rappolt:** No. Right now, our project monitoring shows—it might be a bit of a phased implementation—that we will be in the implementation zone in spring 2012.

**Mr. Michael Prue:** I would hope—because this leads into my next question—that whatever system you have will be able to calculate interest. I do note that in one other government department, when the welfare rates went up 3%, the computer couldn’t calculate that. I found that absolutely shocking, because anything you can buy in the dollar store can calculate that. Will your computer have all those bells and whistles?

This is a list of questions that had been prepared by staff. I think it’s a good question. I’ll read you the whole question. It’s a long one:

“The office correctly responds to the auditor that it does not have the legislative authority to calculate interest. In 2005, the legislation was amended by the addition of section 7.1, which allows for the calculation, collection and remittance of interest on payments under a support order which is more than 30 days in arrears. The provision has not been proclaimed in force. Does the office have any insight into why it has not been proclaimed and when it might be brought into force?”

Then I add the caveat: Will you have a computer that can allow you to do that?

**Ms. Marguerite Rappolt:** Thank you very much. A very clear question. I’m going to have our colleague Donna answer the first part on interest. What I would say is, I know enough to know it’s tricky, so I’m delighted that Donna’s going to offer that. Then we’ll deal with the computer.

**Ms. Donna Holmes:** Mr. Prue, I don’t know if I can add much more to your excellent notes. You’re quite right that the ability to calculate interest is contained in legislation that is unproclaimed at this point. Most court orders could prescribe an interest rate, as you know, and the trick will be, what would be the interest rate? We can anticipate that the interest rate would be variable.

Every judge has an option to go through the Courts of Justice Act and establish a fixed rate of interest or create variable rates of interest, all of which I think requires FRO to have the technology that can be nimble enough

and accurate enough to calculate the interest properly on 186,000 support orders.

I think that's a place where the provincial auditor recommended that FRO calculate interest on behalf of our clients. I think the legislation is in place, and I think that FCMS, the new technology system, contemplates and anticipates that it will provide us with the ability to do that in an accurate way for our clients.

**Mr. Michael Prue:** Again, is this something that you're planning to have in your computer in 2012, so that this could at long last be implemented?

**Ms. Marguerite Rappolt:** We will have the technical capacity to do it. There may be some business processes we need to work out, but we will have that capacity.

**The Acting Chair (Mr. Jerry J. Ouellette):** We'll now move to the government. Ms. Sandals.

**Mrs. Liz Sandals:** I'd like to drill down on the details of your responses to some of the auditor's recommendations and findings.

This is really a mammoth operation. If you look at the number of cases, you've got 190,000, and I figure you've got a payer and a payee on each end. It's something like having all of London engaged in having to work with FRO.

There are a few things that have come up, either in your conversation or in the auditor's report, that it would be helpful to have a little bit more information on. For example, you mentioned having a court clerk actually working at FRO. Then you mentioned in your remarks that it's just one really high-volume court that that worker is connected to. I'm thinking, from what you're saying, then, that there is some reason that that worker can just work with the one high-volume court. Is this person somehow actively connected, via a web link or software or something, to what's going on at that particular court?

**Ms. Marguerite Rappolt:** Mr. Rubashewsky, I'm going to ask you to comment.

**Mr. Bohodar Rubashewsky:** The court clerk initiative was one that we initiated. Initially, it was possible through federal Justice Canada funding. As the deputy indicated, it has been quite successful and we're going to continue it.

The court clerk that we have in FRO has access to the court system too. I think it's called the Frank system. There were actually four court districts that were part of the pilot: Brampton; Oshawa; and two Toronto court districts, 47 Sheppard and 311 Jarvis. They were largely selected because they were, first of all, high-volume courts, but also there were backlogs in court documents and court orders going back and forth.

In other court districts in Ontario, the flow of paper goes back and forth quite physically, as opposed to a clerk in FRO being able to—we rely upon clerks in those court districts to take the information that we have and to input the appropriate information into the court system or pull it out. The court clerk is able to do that directly.

In one court district—I believe it was Brampton, but it may have been a different one—we had a six-month

backlog. Midway through the project—it was a six-month pilot—within month three, we had cleared that backlog.

So we have a very great interest in continuing it.

**Mrs. Liz Sandals:** Does the court now submit the order electronically? Or are they still submitting the physical paper, and then if there's something wrong with what's on the physical legal document, the court worker can get into the court records to clean up the mismatch? It's not clear to me whether the whole thing is taking place electronically, or holes and errors are being fixed electronically, or both.

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**Ms. Donna Holmes:** Perhaps just to take it back a bit and discuss it in the most basic context, what FRO does is generate court documents. Specifically, there are three categories of court documents: writs of seizure and sale; notices of defaults, which initiate a court proceeding; and garnishments.

Currently, the process would require a court staff to generate that document and print it overnight, and once a week we batch hundreds of these documents and ship them to the various courts across Ontario. They land on a court clerk's desk somewhere in Timiskaming or downtown Toronto, and with all of the other court documents that they are required to sign and seal, they then get to our work.

The purpose of this pilot was to focus resources. We were able to obtain a court clerk from Oshawa—a very, very busy family court—and we focused her on just managing court documents generated by FRO as what we call an institutional litigant.

Just to give you an idea of some of the numbers: Every month, we generate about 700 writs; every month, we generate about 400 notices of default; every month, we generate another 200 garnishments—so, ballpark, about 1,300 documents a month that we require court clerks to manage for us.

What was really intriguing about this pilot was that this court clerk was able to receive the documents directly from FRO, because she was situated in our offices; access her Frank database system, which is the court documents system; and sign, seal and issue court documents within 48 hours. What that did was eliminate the time that is required, and it is sometimes as long as six months, for us to send mail out and for court clerks to actually physically generate and mail back our court documents.

What's really exciting for FRO, I think, is that what that does, by completely eliminating months' worth of paperwork and time delay, is expedite enforcement. So we're in a very interesting situation now where, by a court clerk assigned with dual functions, with access to two different systems, she can create and issue court orders in real time, and it makes a big difference to the families of Ontario.

**Mrs. Liz Sandals:** Okay, and thank you very much, because I thought that was addressing the registration piece. In fact, this is addressing the enforcement piece.

You're able to speed up the enforcement, because once you make the decision within the FRO system to do some sort of enforcement via the court, you can now shave months off the paperwork that's involved with going to court and expedite that. Amazing.

You're doing this for high volume, and now you're looking at expanding that same capacity to a whole lot more courts. Can you describe where else you're going or what percentage of the volume of these orders you would be covering as you expand the jurisdictions?

**Mr. Bohodar Rubashewsky:** We really have to evaluate the results of the initial pilot, because it ends at the end of this month, but we are actually hopeful—although I can't say for certain, with the resource that we have—that we may be able to expand it to all court districts in Ontario. If that's not possible—and again, it depends on the volume of work and the like—we will focus on the larger court districts, which generate the most court order work, so to speak.

The Ministry of the Attorney General is as supportive of this as we are. This is a partnership; it is their employee. We are going to be funding it over the course of the next year. This is something that they see as a great benefit to them, not just to us.

**Mrs. Liz Sandals:** Obviously, that is a case where you're expediting a whole lot of things just by changing the way in which you use one worker.

There have been a number of references to the telephony system. I understand that you had a need to make the way the phone is answered more effective. Again, it's not totally clear to me. Does the telephony system also involve better access to online data about the case at the workstation of the person who's answering the phone once they get the person there?

**Mr. Bohodar Rubashewsky:** When the FRO case management system is implemented, the case management system and the telephony system will be linked so that when a client calls the call centre and enters their case number and PIN, when the enforcement services officer answers the call, the case information will come up to them immediately.

**Mrs. Liz Sandals:** So instead of taking notes and putting down a request, "Haul this up out of the bowels of the old mainframe system," you're just going to be able to pull it up, look at the situation and maybe address the issue.

**Mr. Bohodar Rubashewsky:** Yes. Currently, our officers have to spend some time on each call confirming the identity of the individual who's calling, asking questions beyond case number: address, date of birth. With the personal information number and the ability for the caller to enter that, there's a confirmation of identity that comes with that, so we'll be able to save some time in that regard as well.

**Mrs. Liz Sandals:** So it will expedite the conversation, so the conversation is happening more quickly.

The auditor has talked about the whole issue of arrears. Earlier, you were beginning to speak about the ability to categorize those. I understand that, again, this is

one of these things that's tied to getting a system where you can actually look at something, rather than the legacy system. But it would seem to me, given that a lot of those arrears have been there forever, that they're just going to sit there until you get a death certificate or something and can cancel it. Is that the only way you get out of the arrears queue?

**Mr. Bohodar Rubashewsky:** That is the case, because we don't legislatively have the ability to write off arrears. At the end of the day, they are arrears that are owing to a recipient.

We do identify cases that are unenforceable. It could be because we have not been able, through all of our trace-and-locate activities, to find a recipient or payer. The payer may be in jail and therefore the enforcement of the case is suspended.

There is no ability at this point to write off arrears. At any given point in time, new case information could become available.

That being said, as we do the analysis of our arrears, we hope to have a better sense of which cohort of cases more precisely are unenforceable on a permanent basis.

**Mrs. Liz Sandals:** And I would hope that you would also have the facility, then, to identify those which are worthwhile attempting to enforce, because that's part of the question that's important.

**Mr. Bohodar Rubashewsky:** Yes.

**Mrs. Liz Sandals:** If I may, I'm just going to share the end of my time with Ms. Carroll. She has a question.

**Hon. Aileen Carroll, P.C.:** Thank you. Did we cut you off?

**Mr. Bohodar Rubashewsky:** No, I'm fine, thank you.

**Hon. Aileen Carroll, P.C.:** I think the deputy minister, yourself and your colleague have given a very honest, open appraisal of the situation, and I'm very grateful. I saw no guile in any of the answers. I think you're sharing with us the challenges that face you and also the success you've had to date, but recognizing what still lies ahead.

I'm very much impressed that you see that this isn't just about the transformation of the technology with which you work, but that in fact, to use your words, you need to design the business needs. I think you're hitting it head-on.

Liz has mentioned the dedicated court clerk. I think that's a great initiative. I'm hoping, if the funding is predicated on Justice Canada, that it doesn't disappear on you, but rather that we can get it sustained here, because I think you're addressing exactly the kind of logjam that you need to address. It reminds me a bit of the Unified Family Court initiative, which worked, but we didn't keep it up. Much of what the clients to that court faced, they're facing in this relationship with FRO. This initiative on your part, I think, goes a great deal to remedy it.

What I want to recommend, or just throw into the mix—please know that there's no tongue-in-cheek whatsoever in what I'm about to say. You've mentioned

the relationship with our constituency offices, and we've had conversations here among ourselves. There are over—I forget the number; I'll get in trouble if there's a test. There are over a hundred—

**Mr. Bas Balkissoon:** One hundred and seven.

**Hon. Aileen Carroll, P.C.:** —107 constituency offices.  
*Interjection.*

**Hon. Aileen Carroll, P.C.:** I beg your pardon?

**Ms. Sylvia Jones:** There are more than that, because some of us have two.

**Hon. Aileen Carroll, P.C.:** I think it's 111, yes. In any case, there are a lot of constituency offices in Ontario. If I could just speak quickly to mine, I do so only to say that the women who work in my office have been with me for a long time. I've only been here provincially for one, but I was in the federal world for three mandates. I get the impression many times from people who call from ministers' offices that they love dealing with my office. I think that's very much a compliment to the women and people who work there. I don't think that's particular only to my office.

Why am I saying that? Here's why. Frequently, when I come back, working Friday, and I give the team a new report that has just come out, which has been the government response to a dilemma or problems with a particular program or a particular department, they read

through it with these Cheshire smiles on their faces, which say, and does get articulated after: "You know, if they'd only asked us, we could have told them a lot about this." And they say that without any arrogance whatsoever. It's because they are on the ground, and it's because they are working with your clientele and experiencing a lot of the frustration and stress to which you alluded earlier in our discussions. These are not happy people.

I would honestly ask you—I don't know if this has ever been done—to ask the people in the constituency offices about your work. Ask them what remedies they might put forward. You can't lose from the exercise, and you might be surprised at how greatly you would benefit. They want the same outcomes you do; they want to get to the same place. But I think they're at that level, somewhere between Queen's Park and the streets of all our many cities, that they really might be able to give you some wonderful information. So I would just add that to our discussions this morning.

**The Acting Chair (Mr. Jerry J. Ouellette):** That concludes our hearing for today.

We very much appreciate you coming forward, and we will inform you of anything that the committee declares, after we go through our closed session. Thanks again for joining us.

*The committee continued in closed session at 1434.*

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**Standing Committee on  
Public Accounts**

2010 Annual Report,  
Auditor General:  
Ministry of Infrastructure

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Deuxième session, 39<sup>e</sup> législature

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STANDING COMMITTEE ON  
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Wednesday 30 March 2011

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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*The committee met at 1232 in committee room 1, following a closed session.*

2010 ANNUAL REPORT,  
AUDITOR GENERAL

## MINISTRY OF INFRASTRUCTURE

Consideration of section 3.07, infrastructure stimulus spending.

**The Vice-Chair (Mr. Peter Shurman):** Good afternoon, everyone. This is the Standing Committee on Public Accounts. We are here for consideration of section 3.07, infrastructure stimulus spending, in the 2010 annual report of the Auditor General.

You haven't handed out a presentation of any type. I wondered if you had one.

**Mr. Drew Fagan:** I do. I have a speech to make about some points, about 15 minutes, I think, and then we can open it up.

**The Vice-Chair (Mr. Peter Shurman):** Sounds perfect. Why don't you go ahead with that? And before you start, for the purposes of Hansard recording, please identify yourself and your co-participants.

**Mr. Drew Fagan:** Thank you, Mr. Vice-Chair. I'm Drew Fagan. I'm the Deputy Minister of Infrastructure. With me this afternoon are Bill Hughes, the assistant deputy minister of the infrastructure policy and planning division; Heather Fraser, who's the director of the infrastructure implementation secretariat; and Oliver Jerschow, who's the manager of the intergovernmental policy group. All of us are at the Ministry of Infrastructure.

Let me begin by thanking the members of the committee for inviting us and for giving me the opportunity to speak with you today about the infrastructure stimulus programs and the Auditor General of Ontario's recent report.

In my presentation I'll give you some background on the stimulus programs and discuss the Auditor General's recommendations and our response to them. Then, of course, I'll be pleased to respond to questions from the committee on chapter 3.07 of the AG's report.

Let me speak, on background, about the stimulus programs for a moment. The infrastructure stimulus programs have been a success. They were timely, targeted and stimulated Ontario's economy when it needed it most. In the 2009 budget, the government responded to the global economic crisis by launching significant short-

term infrastructure investments to stimulate economic growth and help preserve and create jobs across the province. The province matched federal funding made available through the federal economic action plan, for a total federal-provincial stimulus investment of \$6 billion.

There are five streams of federal-provincial stimulus funding: the infrastructure stimulus fund, known as ISF; the Building Canada Fund's communities component top-up; the Recreational Infrastructure Canada program, known as RInC; the knowledge infrastructure program, KIP; and the social and affordable housing programs.

The Ministry of Infrastructure has worked closely with our partner delivery ministries—the Ministry of Agriculture, Food and Rural Affairs; the Ministry of Tourism; the Ministry of Health Promotion and Sport; the Ministry of Training, Colleges and Universities; and the Ministry of Municipal Affairs and Housing—which are responsible for program implementation and regular monitoring and tracking of project progress.

The infrastructure stimulus programs were implemented to ensure funding was allocated in a transparent, accountable and fair manner that achieved value for taxpayers' money.

Projects approved under the infrastructure stimulus programs were selected using a competitive, application-based process. This type of process ensured we were able to generate a list of projects that reflected infrastructure priorities across the province, and that the final list of approved projects was fair and balanced.

Project recipients included municipalities, colleges and universities, First Nations, not-for-profit groups and provincial ministries and agencies. Recipients also made funding contributions to their projects. In total, nearly 10,000 stimulus projects have been approved across the province.

In December 2010, Ontario and the federal government announced an extension to the deadline for stimulus projects to October 31, 2011. This has given eligible project proponents another construction season to finish work on their projects. Virtually all of the projects are expected to be completed by the new October deadline.

I'd like to turn my attention to the Auditor General's report on infrastructure stimulus spending. In his report, the Auditor General and his staff focused on three of the five stimulus programs: the infrastructure stimulus fund, the Building Canada Fund-Communities Component Top-up, and the Recreational Infrastructure Canada program.

It's important to note that the audit was done as the programs were being implemented. It was a snapshot in time, with fieldwork completed a year ago. Considerable progress in the construction of projects has taken place since then.

As the audit was done while the programs were rolling out, we were able to take immediate steps and make improvements to the programs based on the work of the Auditor General's office and experience gained during program implementation. I'll highlight some examples of these changes, as I discuss each of the recommendations.

Let me go through the recommendations.

**Recommendation 1,** related to assessing the applications: The auditor's first recommendation focused on the time taken and the process followed in assessing project applications and project selection.

In particular, the Auditor General noted the need, first, for a more risk-based approach to designing and implementing future infrastructure programs and consideration of factors affecting program delivery, including timelines and ministry resources; second, for applicants to better demonstrate the benefits of their proposals; and, third, to strengthen due diligence in assessing applications.

As the programs were designed to stimulate the economy, projects needed to be approved quickly and rolled out within a short period. The deadline put in place by the federal government made the timelines for approval and assessment of projects tight.

Despite these tight timelines, the province used a risk-based approach when evaluating applications to ensure that all stimulus programs were compliant with the requirements of the province's transfer payment accountability directive. This directive establishes the principles and requirements to achieve accountability for transfer payments, and supports the efficient and effective delivery of services provided through transfer payment programs.

In his report, the auditor made note of the significant efforts made by ministries to adhere to the directive and to establish appropriate systems and processes.

Project applications were reviewed by staff in both the federal and provincial governments. At the provincial level, applications were reviewed by delivery ministries, in addition to the Ministry of Infrastructure. Projects were reviewed for such things as readiness, share of funding, environmental assessments, aboriginal consultation, start date and project size.

As part of their applications, proponents signed attestations confirming the projects would be completed by the deadline. If proponents could not meet the deadline, the project was not approved.

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In response to the auditor's recommendation, the ministry will continue to expand the use of risk-based program design and analysis for future infrastructure programs. The ministry will also assess the resource implications of program design decisions and work to incorporate additional technical due diligence where warranted. As well, the ministry will look to place a

greater onus on applicants in future programs to demonstrate that the claims in their applications are achievable.

**Recommendation 2,** approval of applications: The auditor's second recommendation dealt with documentation and ensuring that the rationale for decisions is documented.

The approval process was a joint one negotiated by both the federal government and the province. The final project selection decisions were negotiated and made jointly with the federal government. It was extremely important to us that the process was fair and accountable.

The ministry agrees that increased documentation would support the ability to demonstrate that selection processes are fair and transparent. In response to this recommendation, MOI has already taken steps as part of the deadline extension approval process to strengthen documentation.

The auditor also recommended that providing additional information to the public on projects would enhance transparency. The ministry agrees that providing timely and accurate information on the progress and success of the stimulus projects is essential.

To support this, in November 2009, the ministry launched a public website called Revitalizing Ontario's Infrastructure to provide current information about thousands of stimulus projects all across Ontario, including details such as project cost, location and completion status. The website is updated monthly to ensure that the most up-to-date information on project progress is available to the public. In December 2010, we launched an enhanced version of the site with new features and additional information about stimulus projects.

**Recommendation 3,** which deals with project management: The auditor's third recommendation was that the ministry should ensure recipients report project information consistently and on a timely basis, follow up on projects at risk of missing the deadline, and consider raising the deadline issue with the federal government.

The government requires recipients to report monthly on status updates and any changes to expected completion dates. This reporting is made public on the Revitalizing Ontario's Infrastructure website. As of February 2011, funding recipients had submitted the required reports for virtually all stimulus projects. The province raised concerns with the federal government about the ability of some proponents to complete their projects by the original March 31, 2011, deadline and the need for flexibility so projects were not left unfinished. As I noted earlier, the deadline has been extended to October 31, 2011; 832 projects have been approved for an extension, and virtually all of these are expected to be completed by the new deadline.

**Recommendation 4,** costs to meet the funding deadline: The auditor's fourth recommendation was for the Ministry of Infrastructure and delivery ministries to work with recipients experiencing project delays to evaluate options to meet stimulus program objectives and ensure value for money in completing the projects.

MOI, along with the delivery ministries, is engaged with project proponents on an ongoing basis. Special

attention has been paid to projects identified as delayed or otherwise at risk. This has included working with proponents to identify options such as changing the scope of projects so that they can meet the stimulus deadline and requesting more detailed construction documentation.

Delivery ministries have conducted site visits to physically assess and validate project progress. Ultimately, project proponents are accountable under binding contribution agreements for the procurement, management and delivery of their own projects.

**Recommendation 5, financial and claims administration:** In his fifth recommendation, the AG recommended that the Ministry of Infrastructure work with the internal audit division to ensure that funds are spent wisely and for the purpose intended, as well as to develop appropriate monitoring and audit coverage.

The ministry recognizes the important role the internal audit division has played in helping ensure the accountability of the stimulus programs, including monitoring and audit considerations. The ministry proactively engaged the services of the internal audit division early in 2009 to provide advice on the design and implementation of the stimulus programs. We have been working with the internal audit division continuously since then, and it has provided the ministry with detailed advice on appropriate program design and risk mitigation. We will continue to seek the advice of the internal audit division as the government continues to implement the stimulus programs, and in the design and implementation of future programs, where appropriate.

**Recommendation 6, measuring and reporting on program effectiveness:** In his final recommendation, the auditor highlighted the need for timely and accurate information on project progress. He also focused on the methodology the ministry uses to estimate the jobs impact of the stimulus funding and noted that it should be adjusted to reflect actual spending.

Measuring the effectiveness of the stimulus programs is important in determining whether the government has met its goals. We agree with the AG that providing timely and accurate information on the progress and success of the stimulus projects is essential. As I mentioned earlier, current information about thousands of stimulus projects all across Ontario, including details such as the project cost, location and completion status, is available on the public website Revitalizing Ontario's Infrastructure.

Our ministry works with the Ministry of Finance and revisits the job calculation methodology regularly to ensure that the most up-to-date information about the structure and outlook for the Ontario economy is used in job calculations. We continue to refine the methodology and will ensure that job impact results are reported to the public in an appropriate way.

In conclusion, I'd like to thank the Auditor General and his staff for their report and recommendations. I also want to thank the members of the committee for their interest in the stimulus programs and for inviting us here today to discuss them.

Thank you, Mr. Vice-Chair.

**The Vice-Chair (Mr. Peter Shurman):** Thank you very much, Deputy. We will go ahead with questioning on a rotation basis, with 20 minutes, or up to 20 minutes, per party, beginning with the NDP.

**Mr. Peter Tabuns:** I thank all of you for coming in today. We appreciate it.

Could you first give me a picture of the approval process? Say I'm the city of Guelph and I've sent in an application. Tell me how it's processed.

**Mr. Drew Fagan:** I'll turn to my staff who were here at the time; I wasn't deputy at the time. But we began with the decision that we were actually going to have an intake process, an application-based process; that isn't always done, but it's best practice, so we started with that. We started with a series of parameters, some of which I mentioned, with regard to how to assess those projects: readiness, for example; financial history—financial capacity and history with projects of like capacity; certain risk factors that we knew we wanted to take into account—environmental aspects, environmental assessments and whether we were up to date with that; consultations with First Nations; size of project. There were a whole series of parameters that we analyzed in the process.

Of course, this was also being done at a time when we were coordinating an extra step, coordinating with the federal government, so even before the intake process began. The entire process, going back to 2009, was actually done in about six months.

The first step, of course, was both the federal and provincial governments announcing the stimulus programs and then agreeing to the parameters, and then the intake process, and then decision-making was done and recommendations were made by staff with appropriate programs to the ministers involved. I know there was a discussion among ministers, obviously, with regard to final agreement.

I don't know if my staff want to add anything.

**Mr. Oliver Jerschow:** Sure. Just to add to that, as the deputy said, we had established with the federal government a fairly detailed framework of how we intended to evaluate applications, even before they came in, so if your question is really about what happened after that submission happened, we set to work immediately and basically began a kind of two-stage process of evaluating the applications. We had very detailed information from the applicants through their application forms for the programs audited here. We had two cases, applications, coming in through websites, so a database was immediately populated. That let us set to work quite quickly on evaluating the applications.

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The first stage really involved a kind of basic eligibility review, because the program design criteria had established fairly clear standards for that. So there was an initial screening done to ensure that projects were eligible. Then the second stage really got into the prioritization. We knew that we wanted to present a recom-

mendation to the federal and provincial ministers. We knew, as well, that for some of these programs there were limits on the amount of money available, so we tried to take that into account in developing our recommendations. So over a period of weeks after the applications came in, we worked very collaboratively with the federal government to do the two stages of that assessment.

I think it's important to note that because we had agreed on that process, we were able to deploy the resources both of provincial staff and federal staff to get that work done. Essentially, we worked towards a consensus recommendation among both federal and provincial officials that we presented to both ministers.

**Mr. Peter Tabuns:** Were the federal and provincial officials working in parallel? Did you have a division of labour? Did you both do exactly the same assessment? How was it that both sides came to their conclusion?

**Mr. Oliver Jerschow:** We absolutely did work together. Before the application intakes closed, we had determined what steps we were going to follow and who would do which work. For example, in the infrastructure stimulus fund program, because the database and the web page that we used to receive applications was a federal database, we basically agreed that they would do a lot of that initial screening for us. We agreed on how it would be done, so we knew we could trust the outcome of those results.

The province did undertake additional review beyond that kind of joint review. We looked at provincial policy priorities, for example, and the extent to which a project may have helped to achieve certain provincial policy objectives. So while the federal government may not have been interested in that, we added that to the review process.

**Mr. Peter Tabuns:** In one part of the process—and this is something that the Auditor General commented to us on—apparently, there was a review of several hundred million dollars' worth of projects in a four- or five-hour session. My guess is that those were not raw applications that had just been taken off the website—I'm getting the "correct" nodding of heads, which could be recorded. Hansard will show heads were nodded.

*Interjection.*

**Mr. Peter Tabuns:** It's the afternoon.

That process, which sounded awfully compressed, in which something like \$500 million or \$600 million was decided on—what exactly was that stage? I'm assuming that you were going through and prioritizing. That's an awful lot of money to prioritize and a lot of projects to prioritize in a very short period. Can you tell us a bit more about that particular incident?

**Mr. Drew Fagan:** Oliver and Heather can probably address that in detail. But you're absolutely right: This was just one stage in the assessment process. I believe all the preliminary reviews had been done along the lines of what Oliver is talking about, and this was getting down to detail. This is one instance involving one of the assessment ministries, I think, as is outlined in the report.

**Mr. Oliver Jerschow:** That's correct. The entirety of the review process took several weeks, so the portion of that review process that's cited in the auditor's report does reflect one step on that road to reviewing all of the applications.

In the specific case, we tried as much as possible to engage parties who had relevant expertise to give us good advice on these applications, and we asked staff at the Ministry of Agriculture, Food and Rural Affairs, who are our delivery partners in the program, for their review of those projects.

So, as the process went on, there was a compressed period of time, and there was a specific request that they look at certain aspects of the application in what was about a four-hour period. That's accurately reflected in the auditor's report—but it is a portion.

**Mr. Peter Tabuns:** What were they assessing in that period? That's a short time to go through a lot of big-ticket items.

**Mr. Oliver Jerschow:** Well, from my recollection, it had to do with some of that additional provincial assessment around provincial policy objectives being achieved. It didn't have to do with the basic eligibility screening, for example. It was really just trying to get as much technical information as possible. As the deputy mentioned, we did look at the scope of work. We wanted to try and be assured that projects would be able to get finished, trying to validate the claims of the proponents as much as possible.

**Mr. Peter Tabuns:** In other commentary, the Auditor General points out that a number of decisions were made about going forward with or not going forward with projects, decisions made at the ministerial level for which there seemed to be little documentation. And to be fair, the Auditor General said that there didn't seem to be a political bias in the way the funds were allocated.

Can you give us any insight into why there was no recording of why some projects were cancelled at the ministerial level and some weren't?

**Mr. Drew Fagan:** I'll make a couple of points. You yourself noted, Mr. Tabuns, that the Auditor General did a review of, I think, about 100 projects worth somewhere around 50% or more of the total cost, and found no political pattern. Of course, there were two levels of government involved with regard to the decision-making.

I think it's also important to note that, at the end of the day, all the projects had to meet the same criteria with regard to attestations, with regard to expectations around completion dates and everything else. Obviously, it's our job as public servants to provide the best advice we can. Under the circumstances, there was a very scientific, if I could, input process with regard to this. We agree that the maximum amount of paperwork and file documentation is important.

**Mr. Oliver Jerschow:** I would just reinforce that answer, to say that, as officials, we did document as much as we possibly could, acknowledging that we would be presenting a recommendation, not making a final decision. We were not party to the discussions at the

ministerial level, so I don't think we were in a position to document that.

**Mr. Peter Tabuns:** I note that you've responded to the recommendations of the Auditor General. How are you going to structure things so that those recommendations are alive the next time we have to deal with a situation like this?

**Mr. Drew Fagan:** We've already got a track record, actually. One of the things that's interesting, and obviously, the secretariat will be—if you're thinking about best practices for down the road, there are processes within the bureaucracy to ensure that these things aren't forgotten. One of the interesting things—and the point we were making about this being a point in time, it was a live audit, and the program was well under way—was that when we approached the process around the extensions in November, December and into January—really, a process that's just been completed; tomorrow's March 31—we took on a lot of the advice from the Auditor General.

With regard to something like technical expertise, one of the challenges in working to such tight deadlines was there was a balance between timeliness and a broad process. I think we hit the mark with regard to that as best we could. But one of the things we did in the extension process was ensure that there was greater technical expertise. So every one of the 800-plus projects had to be attested to by an architect or an engineer, I think, and the documentation is more complete. So I'd say beyond sort of passing along that best practice, we've actually applied it in the next stage of the process.

**Mr. Peter Tabuns:** Okay. I don't have further questions in this round.

**The Vice-Chair (Mr. Peter Shurman):** That's fine. Thank you very much, Mr. Tabuns. Let's move on the Liberals. Mr. Arthurs.

**Mr. Wayne Arthurs:** I'll start with a question or two, and I know Mr. Zimmer may, as well as others.

First, I want to, if I can, just thank the ministry staff for being here. It's certainly the first opportunity I've had—and I'm not sure our caucus generally has had one—to thank you for the work that you did collaboratively with others in making these programs work at a critical juncture in the economic climate, not only in the province but, frankly, in the world at that point in time as we worked through a recovery period from the deep recession. To you, your staff and those who worked with you, my personal thanks for that work, which sets out particular kinds of challenges when you're asked to do that in particular time frames.

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I want to explore a little bit more the job creation numbers: the observations by the Auditor General that, in doing this, it was a necessity to, as the phrase goes, move the money out the door fairly quickly in relative terms to be able to have shovel-ready projects, as they're described—although it doesn't really mean that the shovel is necessarily ready to go into the ground, but there's a process one has to work on to achieve a timeliness of all

these kinds of activities—and try to achieve the job target goals set out from that, so there's some measurable outcome in the economy by virtue of jobs being created and people actually working and churning money through the economy. One of the big challenges, obviously, is meeting those job expectations in the time that was allocated or identified early on.

Can you speak a little bit to the issue of, once the approvals are done, the expectations of the recipients—municipalities and others—from the context of being able to get into the ground, the ability to actually physically create those jobs? Both the jobs where there was some planning left to be done in many cases, some engineering work, as well as the shovel itself that would have to go into the ground to make that happen, and then subsequently, the work that went on to look at the need for—I think people recognized early on the need for an extension on the program when it was evident that it would be very hard to achieve the limitations of the two years as being critical, but it would be hard to achieve all of those to their end date. But at the same time, I think there was sort of a thumbs-on for a long period of time to ensure the partners did everything they could to expend those monies effectively and efficiently and to meet the target of creating jobs, but at the same time to not waste the resources they were being supplied with.

**Mr. Drew Fagan:** Thank you, Mr. Arthurs. Let me take a shot at that and then turn it over to officials for more details, if they'd like.

With regard to the job impact, our best estimate is that the five stimulus programs have created or preserved 70,000-plus jobs, which is not inconsiderable, given the challenge that the global economy and Canada have been facing over the last while.

We do an assessment. That number comes from an assessment methodology that, as I mentioned in my opening statement, comes from the Ministry of Finance and the Ministry of Infrastructure. Similar estimates come from independent organizations like the Conference Board, which we've used for analyzing various aspects of our long-term and shorter-term infrastructure programs.

There were 10,000 stimulus projects in the end. The vast majority of those are completed or will be completed by tomorrow; by the original deadline of March 31. Our estimate is that over 9,000 of the 10,000 projects will be completed by the original date of tomorrow. Some 830 or so were extended. And, of course, the impact on the economy, given the continuing challenges—the rebound in the economy—still continues.

Now, of those 830, a large number of those, probably to reduce costs, took advantage of an extra construction season. Construction costs are often more expensive in the winter than in the summertime. We expect the absolute vast majority of those projects to be done in good time, with only a handful at most possibly not meeting the new October 31 deadlines. Those responsible for those projects know that there will be no additional federal or provincial funding after October 31, and they

have attested to taking responsibility for any costs after that period.

**Mr. Oliver Jerschow:** The only comment I would add is, going back to 2009, we went from zero to 60, if you will, quickly, in terms of getting these programs up and running; the application processes under way and all that. The announcements were made in June 2009, and that's when proponents found out that they had an application approved. So one important step that we took was to notify all proponents with a joint ministers' letter in June 2009, saying, "Your approval is confirmed. Get your project going," because we do have quite rigorous contribution agreements. They're 43 pages long, in the case of the ISF program. Usually it takes a while to get those kinds of agreements in place, and no funding flows to proponents until that agreement is in place. But we wanted to signal to proponents that they should get their projects started and to take advantage of as much of the 2009 construction season as possible. That letter was issued in an effort to encourage the proponents to get those projects under way and get the jobs created as soon as possible.

**Mr. Wayne Arthurs:** The capacity of the partners to execute—the approvals are there; the letters are going out to make sure that they're ready to go; they're doing their work. Did the ministry have some capacity, was there some involvement jointly or with the feds, to monitor what's going on—they've gone on the website—to encourage their capacity to execute?

What did you find to be that kind of experience? Were they effective in doing the execution you expected? Were there any delays, substantively, so that they couldn't meet this March 31 deadline? Or the fact that those who couldn't meet the deadline—the 800 or so—was simply because of the scope and scale of the project more than anything else? I'm interested in the capacity of the partners to actually execute on the approvals.

**Mr. Drew Fagan:** Let me start, Mr. Arthurs, and I'll turn to staff for details, if they can add additional points.

The first point that I think is important to make is that every one of these project proponents attested to their capacity to do these projects after a very rigorous analysis was made by us with regard to their capacity. They attested to their ability to meet the project deadline on time, on budget.

When the Auditor General talks about a risk-based approach, what that means is that we spend more and more time looking at those projects that we assess as being riskier than others. There were plenty of large municipalities and others with lots of experience that we weren't worried about; others, you start to winnow down the numbers.

There were site visits. We went out to various sites. We brought in third parties in a number of instances to do their own analysis, organizations like Infrastructure Ontario, which is an agency of this ministry, with long capacity now with large projects.

We maintained the ability to do audits, where necessary, and we went back and forth with them with regard

to expectations around detailed information, regular monthly assessments of their progress and the like.

As we headed to the March 31 deadline, in certain cases we ramped up the amount of engagement we had. In a number of cases, for example, as we were agreeing on the extension, I actually called a series of city managers around Christmastime to get very particular information on how many projects they thought they'd want to seek extensions for, their confidence about their ability to finish those projects and the like.

**Mr. Bill Hughes:** Maybe I'll add just one thing to that. In terms of the quality of the attestations received from municipalities and others, one important feature of the program was that they got to pick their own projects. Everybody knew what the deadline was. There was quite a broad range of types of projects that were eligible, so there was a fair amount of freedom and ability on the part of project applicants to pick the projects that were, first of all, most important to them and that they felt confident could actually be completed by the deadline. That led us to place initially a reasonable amount of weight on the quality of the attestations we received.

**Mr. Wayne Arthurs:** Thank you, Mr. Chairman. Now Mr. Zimmer, if there's time in our round, has a question.

**The Vice-Chair (Mr. Peter Shurman):** Thank you. We have about 10 minutes left, so go ahead.

**Mr. David Zimmer:** I just have a short question of a more general context. The stimulus money was, of course, put out there in the context of an economic crisis that, in many ways, literally happened overnight. One of the ideas behind the infrastructure investments was to quickly do what we could to kick-start the economy. I think it's important to consider how the programs and the various criteria of the programs were administered and so on, in the context of that crisis; that is, we've got to quickly get the money out there and doing things was the whole premise of the stimulus package.

I'd be interested in your observations, general and perhaps some specific, of how that context may have altered how you would have otherwise approached the spending initiatives.

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**Mr. Drew Fagan:** There's no question that the downturn in the economy happened across the western world quickly. The federal budget that announced their intent to launch stimulus programs on a shared-cost basis with the province was in January 2009. The provincial budget, which responded by noting that we would participate on a shared-cost basis, was in March 2009. Decisions were being made on projects by late spring and money was starting to flow shortly after that.

There was no question that we wanted to move quickly, but as the Auditor General notes in his report, we wanted to move responsibly as well. As he notes, we took significant steps and actions to ensure that we were abiding by the transfer payment accountability directive, which is fundamental in terms of the provincial government's engagement with transfer payment partners.

We tried to find that balance between speed and responsibility. My assessment is that we did fairly well on that.

**Mr. David Zimmer:** Thank you, Chair.

**The Vice-Chair (Mr. Peter Shurman):** It is now the Progressive Conservatives. Mr. Ouellette.

**Mr. Jerry J. Ouellette:** Thank you for your presentation. A couple of questions about your presentation. You mentioned the five stimulus programs. Can you just name those five stimulus programs?

**Mr. Drew Fagan:** Sure. The ISF, the infrastructure stimulus fund; the Building Canada Fund's, community component top-up; the RInC program—I like it because it's a nice acronym—which is recreational programs; the KIP program—it stands for the knowledge infrastructure program—which is post-secondary, by and large; and a series of housing programs. In total, as I said, close to 10,000 projects were funded under those five programs.

**Mr. Jerry J. Ouellette:** Some of the things, then—I'll get back to that a little later.

The impact of the injections of the funds in the communities: I spoke to local municipal officials at the time, and those who have been around at a municipal level certainly know that all of a sudden a large influx of funds has a tendency to increase the value of the projects that are out there. Did you find this when it took place? For example, all of a sudden, there's a huge demand for construction and there are no workers out there or the individuals or the companies, and "If you want my business, you've got to pay for it now." Was that noticed during this entire project?

**Mr. Drew Fagan:** The Auditor General himself in the report notes a couple of examples like that. Our best understanding is that these were exceptional. It does happen in the construction sector, so as people were moving to tough deadlines, getting up and going fast, hit the March 31 deadline—there are examples where construction companies will expect to be paid extra to move quickly. So there were some examples of that, and the Auditor General notes it in the report. But our best estimate is that it was by no means a majority of the cases, and in most cases, the program was rolled out not on that basis.

**Mr. Bill Hughes:** If I could just add a couple of things. As the deputy said, and as the Auditor General pointed out, that happened in some instances, but there were some mitigating factors. It didn't happen nearly as much as it otherwise would have happened if the economy was robust. If you're in a tight economy and there's lots of demand for the construction sector and you're trying to get people to hit deadlines, then of course you'll get a lot of contractors demanding premiums in order to hit the deadline. When people are really hungry for work, not so much. They just want the work and they will bid to get it. So the fact that the economy was doing poorly was a mitigating factor that helped on the value-for-money side of this equation.

**Mr. Jerry J. Ouellette:** When I talk to construction companies throughout my constituency, as I'm sure

everyone does, I find out that they're not overly concerned about whether they're getting the projects—just that the projects are out there—because if they're not receiving them, they're tying up another construction company that is utilizing their skilled labour to work on that. That frees them up to bid on other contracts. So I was just trying to find out the spinoff effect and how it would affect others.

Were you finding that some of these projects were new projects, or were they just ones on the shelves that were going to happen anyways, and it sped up the funds? Was there an actual new injection or was it projects that were going to happen regardless, within the time frames and parameters that were established?

**Mr. Drew Fagan:** My staff can talk to the details, but it was important to us, particularly in the context of the transfer payment accountability directive, that there was a new intake. That took a bit of time. I think that was launched in about March or April 2009. Everybody applied.

As the Auditor General notes, some municipalities made a large number of applications. Most were pretty responsible with regard to prioritizing what their application should be, but we felt the fairest way to engage in a large program like this—billions of dollars—was to have a fresh intake process. I think that was the best process we could have had under the circumstances.

**Mr. Bill Hughes:** It was permissible for municipalities and others to bring capital projects forward in time. The point of the program was to provide economic stimulus at a time of economic crisis. If a municipality was planning to do a project in, say, year 3, 4 or 5 of its capital plan, but they had done enough work that they could deliver the project now, it was acceptable for them to bring that project forward in time.

**Mr. Jerry J. Ouellette:** Deputy, you mentioned you called the city managers regarding the times for completion for the extension. Do you know if there were calls made to city managers to encourage applications to be made?

There was a certain number of municipalities that had a large influx of applications and, as elected officials, we regularly hear about the fact that somebody's always getting the heads-up or the tipoff about this. Can you enlighten us as to whether there were calls made to encourage applications?

**Mr. Drew Fagan:** My calls were made in December 2010 to get the best assessment we could of the desire of municipalities to take advantage of the extension.

The process in 2009, I think, was pretty open, pretty fair, pretty broad. It was well advertised. This was a different process, I suppose, that I'm talking about.

**Mr. Oliver Jerschow:** To add to that, from the officials' perspective, no calls were made to encourage particular municipalities or to give them a heads-up. In fact, as the deputy mentioned, we really tried to make sure that everyone was equally aware of the opportunity as soon as possible.

In addition to doing our own communication as a provincial government, we worked very closely with the

Association of Municipalities of Ontario to have them send an alert to every municipality in the province so that everyone would be aware of what was coming, what opportunity was available and what they had to do to take advantage of it.

**Mr. Jerry J. Ouellette:** Did you experience any problems with the volume of applications coming from specific communities? It's been brought to our attention that a significant number of limited municipalities, I think predominantly four, was responsible for the largest percentage of funds required. Was that a problem from your perspective at all?

**Mr. Oliver Jerschow:** I'll start. Having a large number of applications obviously increased the total volume of assessment that had to be done. But I think from a program design perspective, it was important, when you think about the fact that the infrastructure stimulus fund alone was making available \$1.5 billion in provincial funding and another \$1.5 billion in federal funding—we didn't want to presume the size of the projects that municipalities or other proponents were going to want to bring forward.

I think that was the rationale for offering that flexibility to say to municipalities and to councils, "You tell us the projects and priorities that you think you can accomplish within the context of this program in this time frame." Leaving that flexibility left certain municipalities in that situation where they did choose to apply for a large number of projects.

So, yes, it created some work, but we intentionally structured the program to result in that.

**Mr. Bill Hughes:** I'm just going to add a little bit to that. I'm going to say that the small number—and it was actually a very small number—of large municipalities that submitted several hundred applications each was a problem.

I think the Auditor General correctly pointed out that that was, perhaps, more applications from individual municipalities than we had anticipated. If we were doing it again—when we do it again—in response to the Auditor General's recommendations, we will put a cap on the number of applications from the large municipalities so that we're not seeing hundreds and hundreds of applications from one municipality.

**Mr. Jerry J. Ouellette:** So, from that perspective, was there difficulty in managing the sheer volume of applications that came in? Did you have the staff in line, or was that part of the delay process, the fact that you had 1,100 applications from four municipalities? Would it alleviate that problem by limiting the number?

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**Mr. Bill Hughes:** I'll start. Clearly, fewer applications would make the application review process easier, no question about that. I would say, though, that we were pretty efficient, despite the large number of applications, in doing the review process.

As the deputy and Oliver have said, there was a trade-off involved in this program. The mandate was to get stimulus activity going in communities around the

province, so we acted as quickly as we could, but we had a view about how to do these kinds of programs that perhaps was not totally shared across the country, and it actually was the result of work that the Auditor General had done previously and the fact that we have in place now, as a result of that work, a transfer payment accountability directive. In order to live within our understanding of the content of that directive, we felt it was absolutely essential that we have an intake process.

What does that mean? The basic point of having an intake process is so that everyone has a fair chance at getting a project. Other provinces didn't necessarily do it that way, but we thought it was essential to do it that way. So what that means is, it takes a little bit of time. Like I said, it's a bit of a trade-off. It takes you a bit more time to do an intake process—in other words, to be fair to everybody—and then that means you have to do your evaluation or your review part of the process very quickly in order not to have it drag out so long that you then wind up not being able to get the stimulus projects out the door in a timely way.

So we had all those things in mind as we were designing the process, and as I think the deputy said, our view is that we struck a pretty good balance. Are there things we could have done better? Sure, and the Auditor General found some of them, and we'll do better next time.

**Mr. Jerry J. Ouellette:** Yes, we always realize that in everything we do, we can always do it a little bit better, and it's good that we have individuals who bring attention to that once in a while.

There was discussion around the table regarding the four hours to review \$600 million worth of programs. Can you elaborate on that a bit and just kind of give us a perspective? Did the sheer volume play into it to require that, or how did that process come to be—as a number of us would know, there's usually a considerable amount of process that has taken place before a four-hour time window comes to light.

**Mr. Drew Fagan:** Well, I would just note off the top, and then turn it over to Oliver or Bill, that, as the Auditor General himself notes, that was just one stage in the evaluation process. It involved one ministry at one stage of their evaluation. The first vetting of projects after the intake process was completed had already taken place.

**Mr. Oliver Jerschow:** Yes, I think that's true. It was a multi-week process, as we talked about earlier, and, as Bill mentioned, there are trade-offs in establishing an intake process, because it obliges us to take time to do as much review as we can to make sure that the process is fair, which was our fundamental objective.

When you think about it, could we have taken another month to review all those applications? Sure. And would we have been able to do more review and assessment in that time, consult with more people? Sure. But it would have delayed the announcements, and it perhaps would have made it even less likely that any projects got under way in the 2009 construction season. So that was the fundamental kind of trade-off that we had to struggle with.

**Mr. Jerry J. Ouellette:** Would a delay in the review for that extra month you're speaking about have changed the outcome of what had taken place with the volume or the number of projects out there?

**Mr. Oliver Jerschow:** I think that's a hypothetical question, "What might you have found had you had the time?" I'm not sure we could really answer that.

**Mr. Jerry J. Ouellette:** In other words, were there any projects out there in the \$600 million for which maybe, in hindsight, you should have taken more time?

**Mr. Oliver Jerschow:** The thing that I would say is that our oversight of the projects didn't end when the projects were announced; in fact, we have quite a bit of oversight, every day of every week, of these programs as they are delivered. Those contribution agreements are legal agreements that provide remedies for the province if we find that our funds are not being well used. We have a claims-based payment process we haven't talked much about, but it basically makes sure that any expenditure on the part of proponents is legitimate, that it's an eligible cost. No funds are flowed to proponents until they can demonstrate that and that's been verified by both the province and the federal government.

I think that's the other thing to keep in mind, that the accountability components of these programs didn't end up when the application period ended; they continue throughout the programs.

**Mr. Jerry J. Ouellette:** Another question on the evaluation process, particularly regarding the RInC project: I know that municipalities compete with each other for things such as ice time. For example, in the community of Oshawa, Clarington and Whitby regularly utilize a substantial amount of the ice that's found in Oshawa.

When they did the process—when you look at the RInC program, for example, do you take into consideration that three municipalities catering to the same individuals would be making application for the same facilities, so that they're now competing with each other and their viability becomes much less if all three get an allocation?

**Mr. Oliver Jerschow:** I think the approach for this program, and the RInC program in particular—there were a number of eligible applicants, so not just municipalities, but also not-for-profits, for example, and a number of types of recreational infrastructure that were eligible, so we wouldn't necessarily know in advance what people would be applying with.

In the due diligence process, we do rely—and we've mentioned the attestations a number of times—on municipal councils having that kind of discussion and insight, bringing their local community knowledge to the table and having a sense of which projects to prioritize.

When we review the applications, we do our best to try and find those areas of overlap, if we're aware of them. That's part of why it's important to consult with other ministries, as we did. For example, the Ministry of Health Promotion and Sport, who are familiar with that sector, were very involved in the RInC program as well, so they brought some of that knowledge to the table. I

think that really helped to mitigate the kind of risk that you're describing.

**Mr. Jerry J. Ouellette:** Okay. I think those are pretty much my questions for now, Mr. Chair.

**The Vice-Chair (Mr. Peter Shurman):** Thank you very much, Mr. Ouellette. I noticed that you didn't use all of your time, and the other two parties used quite a bit less than was allocated. So I think, on this rotation, we'll go around with a maximum of 10 minutes for each party, if you have that many questions.

Mr. Tabuns: up to 10 minutes.

**Mr. Peter Tabuns:** Thanks, Mr. Chair.

Can you give us a sense of how many jobs were created by this whole stimulus program?

**Mr. Drew Fagan:** Our best estimate of the five programs is somewhere around 70,000-plus jobs.

**Mr. Peter Tabuns:** And that's 70,000 person-years of employment?

**Mr. Drew Fagan:** Person-years of employment, either created or preserved. Again, that's done based on methodology and modelling that's standard of use by the Ministry of Finance and the Ministry of Infrastructure.

Independent organizations like the Conference Board, which we've used for various studies of infrastructure, would not be wildly off with regard to—would agree, roughly, with those numbers, I think.

**Mr. Bill Hughes:** Sorry. Can I add one?

**Mr. Peter Tabuns:** Absolutely.

**Mr. Bill Hughes:** Our estimates are actually relatively conservative, compared to something like the Conference Board. The basic reason is this: When we model job creation, we model direct jobs and indirect jobs. Direct jobs are jobs right on the site, like actual construction jobs. Indirect jobs are suppliers, so those are the steel, the engineering and consulting services, things that directly supply the project. When the deputy says 70,000 person-years of employment is what our models show, what we're modelling are direct and indirect jobs.

What the Conference Board does, if you look at its data—and this is fairly common in the US as well, actually—is they model direct, indirect and induced jobs. Induced jobs are the jobs that are created by the money spent by the first two groups. If you are a construction worker or you are a lawyer or whoever, getting paid for work you're doing in relation to this project, and you then go out and spend that money—maybe you go to a restaurant, maybe you buy clothes, or whatever you do—that's called induced job creation, and the conference board and lots of folks in the States count induced jobs as well. That gets the numbers up, obviously. We think that it's not as analytically clean to count those jobs, so we only count direct and indirect when we're doing our estimates.

**Mr. Peter Tabuns:** I understand from your response that you've been refining your job estimates. Can you tell us about those refinements?

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**Mr. Bill Hughes:** Sure. I should have brought one of my technical economists, actually, but I can do a little bit.

The way that the modelling works is, we use input-output tables from Statistics Canada. Input-output tables sound complicated, but basically all they are is a bunch of tables that show the relationship between one sector of the economy and another sector of the economy. They would show, for example, the amount that the steel industry contributes, say, to the car industry. You use an input-output table to establish those relationships.

It takes StatsCan forever to figure that stuff out—I probably shouldn't have said it that way for the record. It takes a substantial period of time for Statistics Canada to analyze all those relationships with the data that they have, so there's always a significant lag.

The most recent refinement we've made to our job numbers was in December 2010. We updated, based on Statistics Canada's latest version of their input-output tables. That changes a few things.

The input-output tables allow us to estimate job creation for different types of activity. For example, the social housing projects, because they tend to be repair and rehabilitation projects and relatively small-scale, tend to create more jobs than, say, a highway project, which tends to be very capital-intensive, with lots of machines and so on. So the methodology that we use takes all of those kinds of factors into account as best we can. It's not just one number multiplied by another number; it's actually a little model.

**Mr. Peter Tabuns:** That's it.

**The Vice-Chair (Mr. Peter Shurman):** Thank you, Mr. Tabuns. I've got two here; you decide. Mr. Arthurs?

**Mr. Wayne Arthurs:** Thank you, Mr. Chairman.

Sort of a political comment first, which I don't expect you to respond to. We know that both Mr. Smitherman and Mr. Baird on occasion in this place would spar, but the capacity that they found to co-operate certainly set, in my view, the right political tone for governments at both levels to work together to make this a success. That's the political commentary. The bureaucracy, the ministry, separates itself from all of those things and does its job effectively.

Just tell me a little bit about whether the structure that was in place, the agreements, made your job easier in working with your federal counterparts or more difficult, or whether it had no impact on that whatsoever.

My second question—I'll pose it now and then you can respond to it. Given the fact that we were not the only jurisdiction—Canada, or Ontario—in the world that was facing this economic situation and there were others also trying to find ways to stimulate their economies, what would be your observations, to the extent that you had the opportunity, as to our program, maybe compared to other jurisdictions, in attempting to flow monies for the purpose of stimulating their economies and rebuilding infrastructure, which seemed to be a pretty common focus?

**Mr. Drew Fagan:** Mr. Arthurs, let me take a shot at the second question and then maybe turn to Bill for the first question, because I wasn't actually there in terms of the process in 2009.

One of the things that's been really striking to me in my six months in this role is the degree to which the province is investing in infrastructure and capital planning. You noticed, for example, in the budget yesterday that our capital budget for 2011-12 is \$12.8 billion. That's big money invested in health care and education, in terms of transportation, in terms of the types of things that we need to invest in to maintain the competitiveness of the Ontario economy. That comes after a number of years, now, of more than \$10 billion in infrastructure investment annually.

So stimulus was definitely a core part of that, particularly in the last two years. The numbers ramped up to about \$26 billion over that two-year period. Part of that was stimulus, but I'd note that not the majority of it was stimulus.

After a period of, really, decades—the 1980s, the 1990s—in which governments across the western world underinvested, I think it's fair to say, in infrastructure, over the last decade there's been a big ramp-up. You can actually see it across the province. You think about our own experience, going back to the 1960s, when we built the community college programs, for example; or our high-profile constructions like Ontario Place and the 400-series highways. That was done at a particular point in time—it was true in the States and it was true in Europe—and then everybody started spending less. That's been ramping up across the western world, and what has been striking to me is that we're keeping pace with that and stimulus was part of that.

With regard to the first question?

**Mr. Bill Hughes:** Absolutely, intergovernmental agreements are really important in making these kinds of joint projects roll out. I and my staff spent quite a bit of time negotiating with Canada on the agreements that we have related to the stimulus projects and also related to other federal-provincial infrastructure programs.

I think the federal government would agree that we have a good relationship with them, but we also have good negotiating sessions with them. I think they always find that Ontario and Quebec are the most challenging provinces to come to agreement with. That's because we spend a lot of time thinking about what the potential implications of the agreements are for the province, and then we have conversations about that with them. In some cases, the agreements that Ontario reaches tend to get replicated in other provinces as well.

**The Vice-Chair (Mr. Peter Shurman):** Thank you. Over to Mr. Zimmer.

**Mr. David Zimmer:** A question about the modelling: I gather, given the context and speed with which the money had to get out the door for its intended purposes and so on, that there wasn't any modelling done before on the job creation and so forth that you referred to in your remarks. The modelling would be after the event. I'm not being critical of that. It's just the question—

**Mr. Bill Hughes:** We would have done overall modelling for the total infrastructure spend over the next two years in the March 2009 budget, and if you look

back to the March 2009 budget, those numbers are there. They would have included the stimulus projects. We did model—

**Mr. David Zimmer:** Going into the—

**Mr. Bill Hughes:** Yes. We did model the stimulus projects going into the March 2009 budget, but we wouldn't have had the same kind of project detail because the decisions hadn't been made. As we get more project detail, we can refine the model and get better job numbers, but we did have some approximation in the budget.

**Mr. David Zimmer:** And was there any outside modelling done—I guess that would necessarily have to be done after the event—from the universities or the private sector?

**Mr. Bill Hughes:** That's interesting. In the last couple of budgets there has been outside modelling from the Conference Board of Canada published in the budget, and that's partly why I explained the difference in methodology, because their numbers look a little different than ours.

**Mr. David Zimmer:** And when you compare your ministry modelling with the outside modelling, what sorts of things do you see?

**Mr. Bill Hughes:** As I was explaining earlier, we tend to be conservative. We try not to overstate any numbers, including the job numbers. We try to make sure that the estimates we provide are valid, analytically defensible estimates.

**Mr. David Zimmer:** But allowing for that conservative approach, are the models more or less in agreement?

**Mr. Bill Hughes:** I understand. Sorry, I missed the point there. Yes. If you abstract from the modelling differences, what the conference board found is roughly consistent with what we found as well.

**Mr. David Zimmer:** The last question: Did you do any sort of best-practices approach with other jurisdictions, be they other provinces, other European jurisdictions or other state jurisdictions in the US, about how they approached the decision-making to get the best bang for the buck when they sent the money out?

**Mr. Bill Hughes:** I'll ask Oliver or Heather to speak more about that, but I would say that one key difference is that we chose to run an intake process, and that was for a couple of reasons. One was to make sure that we were compliant with the transfer payment accountability directive, and the second was to make sure that the process overall was fair.

I remember discussions at treasury board, for example, where ministers made the point, which I thought was really compelling, that right now the question being put to us was: How fast can you get the money out the door? But a year or two from now the question would be: Did you spend the money properly? So we had to bear both those things in mind as we were working on rolling out the programs.

**Mr. David Zimmer:** Thank you, Chair

**The Vice-Chair (Mr. Peter Shurman):** Thank you very much, Mr. Zimmer. Mr. Ouellette for the PCs.

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**Mr. Jerry J. Ouellette:** Under "Reporting and Monitoring of the Progress of Projects," it specifically states that the highway and local road is a \$404-million allocation. Is there any overlap with the Flow agreement in this allocation, or are there any funds for similar projects that are being used for one that are just renamed under another?

**Mr. Bill Hughes:** There's no overlap between Flow and stimulus, none.

**Mr. Jerry J. Ouellette:** Some of the aspects, and the concern is that—for example, in our constituency, the 407 extension in the Flow agreement was to go to 35/115; however, the response came back that there weren't funds available. In order to complete that entire routing, do you think funds have been removed from the one program in order to assist the other stimulus program?

**Mr. Bill Hughes:** No, I believe the government has announced a commitment to extend the 407 all the way to 35/115.

**Mr. Jerry J. Ouellette:** Just to Harmony Road for now, eventually making that distance. So not in the one phase; it's a phased-in approach as opposed to—

**Mr. Bill Hughes:** I understood. In phases, yes.

**Mr. Jerry J. Ouellette:** Yes, the phased-in approach as opposed to the one-time.

So the concern was that—my understanding, having been the parliamentary assistant, was that because it was a toll road, it was not added to provincial debt. I believe it—although I can't verify because I can't seem to dig up my notes from 1995, when it was Kevin Pask who was the chief engineer at the time. Do you know anything about whether that's one of the actual cases or not, that because of the toll road the 407 expansion is not added to provincial debt? Is it eventually going to—the funds would come back.

**Mr. Bill Hughes:** It's a provincial asset.

**Mr. Jerry J. Ouellette:** Yes. Based on the fact that it's a toll road, funds would come back to the province, so it was not added as part of the provincial debt during the construction phase of it.

**Mr. Bill Hughes:** The question of tolling and what happens to toll revenue is a separate question. The cost of the highway would be something that the government would have to fund somehow, either through ongoing revenues or through borrowing or whatever other mechanism, but it's not something, based on my understanding, that you can offset against toll revenue.

**Mr. Jerry J. Ouellette:** Okay. It's somewhat different from what I recall.

It doesn't really give a lot of explanation as to the allocation of funds at that particular time.

There were 21 projects initially deemed ineligible by yourselves that came back and then were turned over by the minister's office. Can you give us examples of what those reasons were?

I should clarify something as well. Quite frankly, my belief is that ministers are elected and appointed to make

decisions in process, and that's why they review these things on a regular basis, because they would contact members in their local riding to find out something that—the municipality is pushing off an issue on to the province here and eliminating their problems that they should be dealing with, and sometimes those decisions are necessary.

Can you give us a breakdown as to some of the reasoning for the 21 projects that were initially deemed ineligible, that were overturned?

**Mr. Drew Fagan:** I'll leave it to the other officials with regard to any detail they can provide. Obviously, the decisions were made at the political level. I'd note again the point made by the Auditor General with regard to no political pattern. Officials make their best assessment and best advice with regard to what projects should take place.

I'd also note that regardless of the process by which projects were chosen, every one of those projects had to attest and had to meet the same standards with regard to expectations around legal obligations and the rollout of programs.

**Mr. Oliver Jerschow:** I would add to that that in giving our advice to the ministers, we wanted to be as clear as possible as officials in our assessment of the process and not give ambiguous advice. So we tried to say clearly, for each project, if we thought it was eligible

or not. But determining that was actually difficult in some cases and required judgment in terms of interpreting the guidelines that had been published.

In many cases, there were simple problems with the applications. For example, through our not-for-profit intake under the ISF program, we required additional documentation from those proponents, things like audited financial statements or information on the people who would be managing the project if it were to be funded. There were cases, for example, where that documentation didn't accompany the application. We took a conservative approach and said that that wasn't eligible. If that project were funded, we would have followed up with that proponent to get that information and mitigate the risk.

**Mr. Jerry J. Ouellette:** I think that's all, unless you have some questions, Chair.

**The Vice-Chair (Mr. Peter Shurman):** I haven't got anything more, and I'm assuming there's nothing more around the room. Does anybody have any more? No. The Liberals? No.

Then that's the end of the open part of this presentation. We'll stay, in closed session, after our guests leave.

Thank you very much for your appearance, and we'll be talking to you.

*The committee continued in closed session at 1346.*



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# Official Report of Debates (Hansard)

Wednesday 6 April 2011



## Assemblée législative de l'Ontario

Deuxième session, 39<sup>e</sup> législature

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STANDING COMMITTEE ON  
PUBLIC ACCOUNTS

Wednesday 6 April 2011

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
COMPTE PUBLICS

Mercredi 6 avril 2011

*The committee met at 0938 in committee room 1, following a closed session.*

2010 ANNUAL REPORT,  
AUDITOR GENERAL

## MINISTRY OF TRANSPORTATION

Consideration of section 4.05, commercial vehicle safety and enforcement program.

**The Chair (Mr. Norman W. Sterling):** Good morning. My name's Norm Sterling, Chair of the public accounts committee. Today, we are considering section 4.05 of the December 2010 Auditor General's report on the commercial vehicle safety and enforcement program.

Today, we have people from the Ministry of Transportation. We have with us the deputy minister, Carol Layton. I will want to turn it over to you, Ms. Layton. You may introduce those people who are sitting with you. You may have a statement as well, if you would read that statement, and then we'll ask you a few questions.

**Ms. Carol Layton:** Thanks very much, Mr. Chair, members of the public accounts committee and also the Auditor General, Mr. McCarter. I am indeed Carol, the Deputy Minister of Transportation. I really want to thank you for the opportunity to appear before the public accounts committee this morning to talk about the role that MTO plays in ensuring that our roads are the safest we can have in North America.

On my right, I'm joined by Rob Fleming. Rob is the assistant deputy minister for the road user safety division, which is headquartered up in Downsview. Rob has been a public servant for about 25 years, 13 years with the Ministry of Transportation. On my left, I have Peter Hurst, who is our director of the carrier safety and enforcement branch. More than that, Peter is highly regarded nationally as an expert in carrier safety and enforcement, certainly somebody well qualified for any of the detailed questions that you have here.

I would like to speak today about each of the Auditor General's recommendations, how we've responded, and also about our roads that have been consistently ranked for the last decade as being among the safest in North America and how we want to work to continue that great trend.

I'd like to thank the Auditor General and his team for their recommendations. This indeed was the subject of a

2008 audit and then also a 2010 follow-up audit, and I can certainly advise the committee that we took those recommendations very seriously and have made a number of great enhancements that we want to share with you.

The Ministry of Transportation is guided by a simple vision, and that is to be a world leader in moving people and goods safely, efficiently and sustainably. Our transportation system helps maintain a globally competitive economy and a high quality of life for Ontarians through having safe roads for people to travel over.

The ministry's priorities include: increasing transit ridership; promoting a multi-modal transportation network; improving Ontario's highway, bridge and border infrastructure; and, of course, promoting road safety.

I am referring to a set of comments that are about 12 pages in length, but I'm only going to speak for half the time that would normally have been allotted, so about 10 minutes. I'll be sort of jumping around, but I guarantee you that everything I say is somewhere in the text that you've got in front of you.

Ontario is a major transportation corridor for freight travel. More than \$1.2 trillion in goods are moved annually on our roads by truck, and \$213 billion of that passes over Ontario's international bridge crossings.

The commercial vehicle safety and enforcement program helps promote road safety by regulating commercial road users and vehicles. A key component of the program requires owners of large trucks and buses to register with the ministry annually. This requirement also applies to out-of-country operators whose commercial vehicles travel into our province.

Our roads are busy. There are more than a quarter of a million large trucks and 32,000 buses registered in the province of Ontario.

The ministry has completed over one million commercial driver and vehicle inspections since 1999. These are conducted by about 270 enforcement officers at 34 fixed and 70 temporary inspection locations along Ontario's highways.

Our ministry has some of the toughest truck safety rules in North America, a big reason why Ontario roads consistently rank among the safest in North America. And as the Auditor General observed in his report, the overall fatality rate in Ontario is now the lowest it has ever been in this province.

In 2008, of that quarter of a million large trucks that I spoke about earlier that are registered in Ontario, only

three were involved in fatal collisions where a vehicle defect was found. That being said, we recognize the need for continued vigilance.

The Auditor General's recommendations focused on six major themes: the registration of our commercial vehicle operators, roadside inspections, intervention activities, motor vehicle inspection stations, safety education and awareness, road safety measurement, and the reporting of road safety.

I have a one-page handout that we've also provided. It shows you the 31 different areas of activity that relate to the auditor's recommendations. It shows you the progress on them, and it shows that in every one of them we either have completed it—and you'll see that in 22 of the 31—and for nine, you'll see that the work is under way and we have good progress in that. So we certainly can speak to this handout, as well.

The first recommendation around the registration of commercial vehicle operators: These recommendations dealt with ways the ministry could ensure that all commercial vehicle operators are registered and have provided all required information about their operations. MTO has responded by fully implementing the annual renewal of all truck and bus operator registrations. This was a two-year phase-in that is now fully in effect as of December 2010. Also, ensuring that truck and bus companies understand the ministry's vehicle registration and renewal requirements, and identifying and registering previously unregistered operators—a big operation that the ministry went through and was able to bring up to date.

On the second theme, which is roadside inspections, the members here will have seen our truck inspection stations on Ontario's 400-series highways. Our 270 inspectors also conduct inspections of commercial vehicles and drivers at other locations using mobile inspection units. The recommendations in this section are related to ensuring that our resources are being used as effectively as possible to keep unsafe vehicles off the road.

We have worked to increase coverage in the highest-traffic-volume areas, using risk assessments to determine the best times for the stations to be open. This has helped to minimize gaps and allocate our resources more effectively.

To be clear, vehicles with critical defects are not allowed back on the road. They can be impounded where facilities exist, charges can be laid or the vehicle can be placed out of service or have its plates removed. It will not go back on the road until it is mechanically certified as being safe to do so.

The same rules apply to buses. The backlog of overdue inspections for our buses has been cleared. We've also implemented a new bus inspection process to mitigate future backlogs and focus on higher-risk operators.

We've also updated our IT infrastructure at our inspection stations through greater bandwidth and greater technology for our officers, so that they can retrieve relevant carrier and vehicle data quickly to aid in the work that they have to do around the inspection of vehicles.

The roadside data capture system is now able to flag vehicles with prior critical defects.

The third theme was intervention activities. There were a variety of recommendations designed to ensure the integrity of the CVOR system—that's the commercial vehicle operator's registration system—and the safety rating system.

The monitoring of the safety performance of truck and bus companies is a key component of the CVOR system. Once the company's violation rate exceeds a pre-determined threshold, the ministry initiates appropriate intervention. The auditor had several suggestions for ensuring data integrity and safety rating information.

As mentioned earlier, improving the quality of data through the CVOR renewal and enhancing the CVOR system to quickly target unsafe operators has allowed for earlier identification and for action on poor performers. We are currently in negotiations with our US and Canadian provincial and federal counterparts about collision and roadside inspection violation data from the United States.

Motor vehicle inspection stations was the fourth major theme of the Auditor General's findings. This program requires that vehicles meet a minimum level of safety before operating on Ontario's roads. Licensed motor vehicle inspection stations are monitored by the ministry through routine ministry inspections and by audits or investigations initiated by consumer complaints. The auditor had some suggestions on how to help ensure the reliability of the required safety certifications provided by the private sector-licensed mechanics.

We have adopted national safety standards for commercial vehicles that take into account modern vehicle technologies such as air brakes, anti-lock brakes and airbags. Updated standards for heavy trucks and buses will be in place this summer.

Inspection standards for light duty vehicles will be updated as part of the road user safety modernization project, which we have underway.

We've set up a call centre to help us more effectively investigate complaints against licensed motor vehicle inspection stations.

Finally, we've provided guidance to enforcement staff to help validate inspection certificates issued south of the border that may have less rigorous standards than we have here in Ontario.

The fifth major theme in the Auditor General's report was safety education. Appreciating that an increasing percentage of collisions involve driver behaviour rather than vehicle defects, there were several suggestions about reallocating some resources to focus on driver education and training.

We have tougher licensing standards to drive a tractor-trailer. You will only be able to drive a tractor-trailer if you pass your road test in a tractor-trailer. If you pass in a smaller truck, you will be issued a new restrictive licence prohibiting you from driving larger, more complex tractor-trailers.

We're continuing to develop an education program for new truck and bus operators. This program will help new

operators in Ontario understand and meet their responsibilities, and it should be in place next year.

Finally, on road safety measurement and the reporting of road safety: Over the last 10 years, Ontario roads have been and remain among the safest in the world and North America. The year 2008 was the 10th year in a row that Ontario was either first or second in North America for the lowest fatality rate per 10,000 licensed drivers. We annually report on motor vehicle collision statistics through the Ontario Road Safety Annual Report, known as ORSAR.

Unlike most other jurisdictions, Ontario verifies fatality data with the provincial coroner's office, which can take up to 18 months to gather that information in support of the statistics that we eventually publish. We agree with the auditor that these statistics should be provided in a timelier manner, and are now releasing preliminary statistics when we have those available.

**0950**

To wrap up, Mr. Chair and members of the committee, MTO is proud of its road safety record. We appreciate, as always, the Auditor General's observations and his recommendations. The ministry's response demonstrates our continued commitment to road safety and to keeping unsafe commercial vehicles off of our roads.

I'd like to thank you for the opportunity for the opening remarks, and now we'd be pleased to answer any questions that you have.

**The Chair (Mr. Norman W. Sterling):** Thank you very much, Deputy Minister. A bit of Chair's prerogative: I'd just like to ask you one brief question. Surely, the ministry's safety record has not improved since I was the minister?

**Ms. Carol Layton:** That safety record, Mr. Chair, the first or second in North America, dates back to about 1999.

**The Chair (Mr. Norman W. Sterling):** I was there in 2002.

**Ms. Carol Layton:** So there you go. We're just following the great path that that former Minister of Transportation set for us way back when.

**The Chair (Mr. Norman W. Sterling):** Thank you for your answer. Mr. Zimmer?

**Mr. David Zimmer:** I have a question about the role of the private sector insurers in sort of de facto monitoring the safety records of the commercial transportation operations. The ministry's got all its rules and so forth and so on, but all of these commercial operators maintain private sector insurance. I would think that the private sector insurance company has a rating system for their insured persons, and that affects their premiums and so forth, and of course that affects their bottom line. So it seems to me that the commercial vehicle operations have a real vested interest in meeting whatever standards their insurer has in order to keep their premiums down.

I wonder if the ministry maintains any relationship with insurers of these large commercial operations. I offer this observation: We've heard a lot about the role of the logs that these trucks or vehicles keep and whether

the logs are effective and so on. For instance, getting the private sector insurance involved as an overseer also, along with the ministry—is there anything as simple as the commercial vehicle operators being required, for instance, to file their logs on a regular basis with their insurers, so the insurers would, in effect, privately keep an eye on these logs? That would certainly help keep the operators' eye on the ball.

**Ms. Carol Layton:** It's an interesting question, Mr. Zimmer. I have two chaps here who are pretty skilled at answering this one. First of all, I'm going to turn to Rob Fleming, and Peter might want to jump in later. But just one comment around the rating system: I just wanted to acknowledge that it takes about four clicks on our own ministry Internet site to go and determine our own rating system against the commercial operators'. We rate for collisions, for inspections and for investigations, and we add in facility audits as well. So there's a number of them.

**Mr. David Zimmer:** But they're regulating—

**Ms. Carol Layton:** But you're relating this to the private sector insurers—

**Mr. David Zimmer:** Yeah, because your rating system—the operator would get in trouble with the ministry and get sharp letters, I expect, and that sort of stuff. But the rating system maintained by the private insurer directly affects the bottom line of the operation because they bump the premiums on a bad rating. So are we making effective use of—cultivating a relationship with the ministry and the insurer to get the insurer involved in keeping an eye on the operators? It's in the operators' self-interest.

**Ms. Carol Layton:** Good question. I'll turn to Rob Fleming.

**Mr. Rob Fleming:** Thank you, Deputy, and thank you, Mr. Zimmer, for the question. At the present time, there is not a requirement for operators to file their information with insurance companies. However, insurance companies do have a lot of access to MTO records and vice versa. You may be aware that we just launched, in November last year, a check on insurance status before vehicle plates can be renewed. Of course, that's for private motor vehicles.

On the commercial side, commercial operators are responsible for checking the status of their drivers regularly. We have a quarterly exchange of information through the Ontario Trucking Association and through the—

**Mr. David Zimmer:** Sorry to interrupt, but my question is: Do you think it would be a good idea if there was a rule that said the daily logs—perhaps on a monthly basis or whatever period of time—that the drivers have to maintain be electronically filed with their insurer, so their insurer can monitor what's going on because they have a real interest in having safe operators? They'll pay out less claims. The operator, the private company, has an interest in staying tight with the insurance company because that will keep its premiums down. Would you agree that something as simple as that might really put the heat on the operators a bit more?

**Mr. Rob Fleming:** We'll have to look at that. We don't have that requirement at the present, but I'll ask Peter to tell you exactly what information insurers do have access to at present.

**Mr. David Zimmer:** Will you look at that?

**Mr. Rob Fleming:** We're always looking at new ideas.

**Mr. David Zimmer:** I take it you will?

**Mr. Rob Fleming:** Yes, sir.

**Mr. David Zimmer:** Thank you.

**Mr. Peter Hurst:** Since the institution of the commercial vehicle operator's registration and the safety rating that goes with that, we have left it to the private sector and the private insurance business to self-regulate the trucking companies. We know that the insurance companies are very interested in the safety rating. They do access carrier safety ratings from the system. We know that in certain cases we ask that they ask the carrier for that information, and that goes into their premium, as you've suggested. We know that it works. We also know that it works anecdotally because we have complaints from drivers who say they can't get insurance anymore because of their safety record.

You had asked if we have a relationship with the insurance industry. Indeed, we do, both for the private passenger vehicle side and for the commercial vehicle side. We work closely with the Insurance Bureau of Canada. We also have relationships with the Motor Vehicle Safety Association of Ontario, which includes insurers.

**Mr. David Zimmer:** If it seems to work, and you say it works, this business of filing the logs with the insurance company, why not do something as simple as making it a requirement that the operator file the logs with the insurance company on a regular basis and, of course, with his home base dispatcher or whoever?

**Ms. Carol Layton:** The comment I'd like to add on that is—more than what Peter has said—we can certainly take a look at that. I'd like to balance that against, though, what that means in terms of those companies and the effort. We have also been working hard to reduce the burden on the private sector in terms of the obligations—the regulatory burden. We're very proud of all the work that all ministries are doing to reduce the regulatory burden by 25%. I'd want to look at it in both contexts.

**Mr. David Zimmer:** I understand. Thank you.

**The Chair (Mr. Norman W. Sterling):** Could I just ask: Is there any function where the insurance industry is doing essentially the same as the ministry? That's one question I have.

The other part is, we understand you're spending about \$40 million of taxpayers' money on this. Are you regaining any of that money from the industry in terms of the information you're providing them in order to measure risk with regard to their clients?

**Mr. Rob Fleming:** Could I just repeat the question to make sure I understand it? Are we recovering any of the costs from industry for providing the enforcement activity?

**The Chair (Mr. Norman W. Sterling):** Yes. Basically, they're trying to measure risk.

**Mr. Robert Fleming:** Right.

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**The Chair (Mr. Norman W. Sterling):** And you're helping them measure risk. Are you charging them for the collection and the—

**Mr. Rob Fleming:** Yes, we have a very strong relationship with the insurance industry, particularly around vehicle registration and driver licensing. We recover approximately \$32 million a year from the insurance industry for information sharing.

We also lay charges, of course, against violators—commercial vehicle operators who don't meet standards. The value of those tickets on an annual basis is roughly \$7 million, but of course that money goes to municipalities if they turn into fines.

**The Chair (Mr. Norman W. Sterling):** The other question I had is: Is there a duplication of effort in terms of what the insurance company and the ministry do?

**Mr. Rob Fleming:** No, sir, I don't believe there is.

**The Chair (Mr. Norman W. Sterling):** Okay, that's fine. Ms. Sandals.

**Mrs. Liz Sandals:** I just wanted to go back to the issue that was raised in terms of the safety record, which the Chair raised, and which you also raised in your comments, Deputy. One of the things that public accounts often looks at is other jurisdictions. I wonder whether you could give us a sense of Ontario's safety record over time, but also in the context of how our safety record compares to other jurisdictions.

**Ms. Carol Layton:** For sure. I'll turn to Peter Hurst in a second, but just generally speaking, as I indicated earlier, going back to 1999, we've either been first or second in North America for having the safest roads in terms of fatalities involving large vehicles, and actually having just a very small percentage of that where there's actually a vehicle defect.

The only other jurisdiction that I think has come close to us, certainly in the US, is Massachusetts. We have topped just about every other jurisdiction, and certainly any Canadian province.

Maybe Peter could speak a little more specifically on that.

**Mr. Peter Hurst:** Certainly. In fact, Ontario has been either first or second of the Canadian jurisdictions.

**Mrs. Liz Sandals:** So how do you measure that? What does "first" mean? What is it you're measuring?

**Mr. Peter Hurst:** What I'm speaking to is fatalities. We're measuring fatalities relative to the number of vehicle kilometres that are driven in the province. We also measure injuries, but when we're talking about first or second, we're talking about fatalities.

**Mrs. Liz Sandals:** So you're measuring not necessarily the number of accidents but the seriousness of accidents in terms of loss of life or personal injury?

**Mr. Peter Hurst:** We measure all of those factors.

**Mrs. Liz Sandals:** Okay. When you say you're first, are second, third and fourth place virtually the same? Or

when you look at other sub-national jurisdictions, is there actually quite a range in what's going on? Are there identifiable clusters and practices? What can you learn from that data?

**Mr. Peter Hurst:** Certainly, there is variability across the jurisdictions, both in Canada and the United States. There are clusters. There are a few that are close to us, but in fact, if you look at all of the Canadian jurisdictions relative to Ontario and you look at us relative to the rest of the world, Ontario in recent years has ranked third or fourth, fifth among those nations. That gives you an idea. I don't have the specific numbers right off the top of my head, I'm sorry. You would think "somewhere in there," but that's what I can say. There are some jurisdictions in Canada that are quite a bit worse than we are.

Nationally, there has been a road safety vision for the last 10 years. We've called it Road Safety Vision 2010. There were targets set for all of the jurisdictions. In our case, when we're talking about commercial motor vehicles, we're talking about a 20% reduction target in fatalities related to commercial motor vehicles, and we're on track to meet that target—and many aren't.

**Mrs. Liz Sandals:** And if you look at that top-performing cluster, what would the top-performing cluster have as strategies to increase road user safety?

**Mr. Peter Hurst:** They have strong education programs; they have strong driving-while-impaired rules. They have strategies for seat belts, which is also a key. They have strong strategies for crashes at intersections, that type of thing.

**Ms. Carol Layton:** Certainly, in our case, if I may add—I know Rob wants in too. We can take you through the changes in legislation, like commercial vehicle impoundment, speed limiters, lots of phenomenal initiatives I think Ontario has done to keep it as high as it has been in terms of road safety.

Another point, a fascinating statistic, is that looking back about two decades, the number of commercial vehicles—large trucks—registered in the province has increased by something like 64%, so we've seen nothing but growth like this, but in terms of one of the measurements, which is the number of traffic fatalities and collisions involving large trucks, it's dropping. So you've got trucks going up like this and you have fatalities going down like that. On an aggregate basis, that's pretty significant, but definitely on a relative basis it's very, very significant.

**Mrs. Liz Sandals:** On a percentage basis.

**Ms. Carol Layton:** Rob may want to add more.

**Mr. Rob Fleming:** Sure. In terms of how we measure overall fatalities, we've been speaking about rates per 10,000 licensed drivers. So 0.7 per 10,000 licensed drivers is a low number, but what that translates into in actual—

**Mrs. Liz Sandals:** And that's where we're at now?

**Mr. Rob Fleming:** Yes. The nearest jurisdiction is Massachusetts, and they were at 0.78. I can't do the arithmetic to tell you exactly how many more fatalities that

would translate into for Ontario if we had the same rate; I think it's about 80 or thereabouts.

In 2007, we had 745 total fatalities on Ontario roads. In 2008, we reduced that to 640. We know from our preliminary data on 2009 that that has reduced to 540.

**Mrs. Liz Sandals:** And that's both commercial and private?

**Mr. Rob Fleming:** That's both commercial—and for commercial motor vehicles, they have gone, over that period of time, from 170 fatal collisions involving commercial motor vehicles to 90.

**Mrs. Liz Sandals:** Okay, thank you.

**Ms. Carol Layton:** If I can just add one more bit against that 0.7 that Rob spoke about per 10,000 licensed drivers, the worst set of the jurisdictions that have the highest fatality rates, Oklahoma, Wyoming and Mississippi, they're 3% if not 4% as opposed to our 0.7, so significantly different.

**Mrs. Liz Sandals:** Oh, so they're like four or five times higher than we are?

**Ms. Carol Layton:** Way, yes.

**Mrs. Liz Sandals:** That puts it in perspective.

**Mr. Gilles Bisson:** I'd just say for the record, those are some of the states that still allow drinking and driving. Their drinking and driving rules are pretty—

**Ms. Carol Layton:** The legislative framework is so different, yeah. You're right.

**Mrs. Liz Sandals:** Wow. Thank you.

**The Chair (Mr. Norman W. Sterling):** Thank you, Ms. Sandals. Mr. Bisson?

**Mr. Gilles Bisson:** I've just got three questions. One is on the timing of your inspections. What's clear in the report and the conversation we had with the auditor is that there is a sense that the bulk of the inspections are done during office hours, basically. If I want to get around being inspected, I know when I've got to drive my vehicle.

So I guess my question is twofold: What are you doing in order to change that so that people can't predict when it is you're going to have your inspection stations open, and to what degree would you use your portable units in conjunction with that?

**Ms. Carol Layton:** Rob would like to jump right in on that one. Thank you, Mr. Bisson.

**Mr. Gilles Bisson:** Yes; absolutely.

**Mr. Rob Fleming:** We paid close attention to the auditor's recommendation, of course, and we have taken measures to redeploy our resources to provide better coverage at other times of day other than just during the daytime.

Secondly, we have always made use of what we call area patrol in order to patrol bypass routes or routes that truckers would take to avoid a truck inspection station, and also to capture traffic that doesn't routinely travel on the 400-series highways.

So we've taken a number of measures to address that particular issue, but I'd like to ask Peter if he would like to comment further on the deployment.

**Mr. Peter Hurst:** Actually, I think you've covered it off quite well, Rob. That's exactly what we do. We have a strategic plan. We focus the enforcement resources strategically at inbound stations, inbound into the province from other provinces and from the United States. We focus on where we know there are high crash rates or where our data from past years have shown that what we call the out-of-service rate or the failure rate during inspection is higher than elsewhere. So those are the factors that all go into that.

**Mr. Gilles Bisson:** But are you actually changing your hours of operation?

**Mr. Peter Hurst:** Yes. Where we need to, we change them, and we continue to work through a strategic plan that the director of enforcement is using to modify his resources or allocate them accordingly.

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**Mr. Gilles Bisson:** Does the auditor want to weigh in on this?

**Mr. Jim McCarter:** I think you've indicated our point. We found, for instance, that at night there is a fairly low percentage of inspections, even though there's about 20% of commercial vehicles on the road. We just make the point about more correlation between when vehicles are on the road and when inspection stations would be on the road. Being suspicious auditors, we also said that maybe if somebody is trying to drive an overloaded truck, they're more likely to drive it at 2 in the morning than possibly at noon.

My sense, from looking at the minister's responses, was that they had started to address it but acknowledge that they still have a bit more work to do.

**Mr. Gilles Bisson:** I take it that what you're saying is that you're changing.

**Mr. Peter Hurst:** Yes.

**Mr. Gilles Bisson:** There's a flip side to the argument. There's a lot of, you know, reputable outfits out there—good drivers, good trucks—that are trying to do the right thing, and there is the other side of the medal, which is being harassed. I get those calls at my constituency office from time to time, I would like you to know.

Part of it is this new system that was put in place in regard to the scanning you can do before the truck gets there, so you know this is a firm that typically is a pretty clean operator, the driver doesn't have any problems, etc. From the perspective of those out there who are trying to do the right thing, how do you balance that off? It's getting harder and harder to make a buck. Trying to haul at the rates that are out there with the price of fuel is pretty deadly. How do you balance off your role as an enforcer of the rules with those wanting to make a living honestly?

**Ms. Carol Layton:** If I could just jump in first and then Peter as well, it is about being strategic. You know, it's only since December 2010 that we have that annual renewal process. We do rate the commercial operators—we do facility audits. So you build quite a management information system, in a sense, of: Who is driving on our roads? Where is there risk? Where isn't there risk?

We're also not the only ones out there. For example, there has actually been a blitz over the last few days out by the Woodbine Racetrack—a very targeted one where you deliberately pull over—actually led by the metro police, but we participate; we have eight officers there as well. I guess the other point I want to make is that there's a fuller deployment of resources than what we have on that.

In terms of balance, it's actually using the information you gather and truly being strategic about it and taking that risk-based approach to it. Peter might want to add more to that, though.

**Mr. Peter Hurst:** It has always been about balance. It's not just about enforcement; it's about education. It's about acknowledging that there are truckers and bus operators out there who want to do the right thing and, in fact, do the right thing. That's why we use the information we have to the best of our ability for the officers to target their efforts.

**Mr. Gilles Bisson:** My understanding is that a truck driver does have the right to refuse unsafe work under the Occupational Health and Safety Act, right?

**Mr. Jim McCarter:** Do you know what? I don't know the answer to that off the top of my head.

**Mr. Gilles Bisson:** I know that has been raised, and I just raise it in the context. I don't know if that's the answer, but my point is that I know, in dealing with a number of truck drivers over the years, some of them say, "Geez, I would like to be able to basically say, 'This truck is unsafe,' but if I say anything, I lose my job." What can we do in order to assist those drivers to do what is right?

**Mr. Peter Hurst:** I can tell you what we do. And you're absolutely right: As long as I've been in this business, that has been a problem. We get drivers calling all the time saying, "If I don't take that load, they'll just replace me and another driver will do it."

We encourage them to call us. We get email and we get letters, but we also encourage them to call us. If they're willing to give us the name of the company, we will investigate. It's cold comfort, because they're trying to put food on their table. But that's what we can do.

**Mr. Gilles Bisson:** It's a problem, because it seems to me that a lot of the emphasis has to go on the drivers. There are a lot of people out there trying to do the right thing, but sometimes circumstances—trying to put food on the table—and the employer saying, "Well, you know, there are five more drivers waiting behind you if you don't take this load," are a pretty strong incentive to take an unsafe truck. I'm not saying it happens a lot, but I know it does happen. It just seems to me that we have to have a strategy that protects the drivers so they're not put in a position of losing their livelihood because they're trying to do the right thing.

**Ms. Carol Layton:** I'd like to comment more on that, Mr. Bisson. It's also about the fact that the industry has to know that we're out there: 250 regional safety blitzes, pretty well, in a year; 100,000 commercial motor vehicle inspections a year. You never know where we'll be next, because we do have mobile capacity as well. We could be around the corner and there could be a blitz and we're

going to pull you over, and also the scope we have to do it in a targeted way like we are doing right now with the metro police and other police services too.

**Mr. Rob Fleming:** On the question of balance, I just wanted to go back to the point about the risk-based approach we take to inspection. When we do blitzes and when we do our normal operations, we are specifically looking for vehicles and operators that we know are more prone to have violations, and we want to leave alone the operators that we do know have good records. We're specifically looking for that, and I believe that's borne out in our data.

In our blitzes, we routinely see out-of-service rates for vehicles above 40%, which seems high, but as I said, we're specifically looking for those faults. When we do the national random check called Roadcheck every year, compliance rates are actually very high. Last year, it was 79%, meaning there's a 21% out-of-service rate. So we are trying to take that balanced approach to enforcement.

**Mr. Gilles Bisson:** The other question I have is around CPIC, the national registry for all driving infractions, criminal offences etc. Do your officers have access to that?

**Mr. Peter Hurst:** Yes.

**Mr. Gilles Bisson:** I'm a little bit confused, then. If you have access to CPIC, why is it in the information that we've got that you're not able to properly track the driver infractions of drivers from out of province? I don't understand why that is. Maybe the auditor can weigh in on this one, because that was one of the conversations we had.

**Mr. Jim McCarter:** It might have been the issue where the roadside data capture—what we had indicated was that when the truck pulls in, you've got good information in the database, but as you say, you'd like to be able to identify a really good driver really quickly to basically say, "Okay, go right on through." And the bad drivers, the bad apples—you'd like to be able to bring it up on the screen right away and say, "Okay, buddy, we want you to pull in."

At the time of the audit, what we found was that the bandwidth wasn't there to be able to bring up that data very quickly. Most of the people at the roadside station were saying to us, "We just can't bring it up enough. It would be helpful to us if we could bring it up quicker so we would know that Bob's Trucking—this guy is a stellar operator. Go right on through." But we just don't have the data—

**Mr. Gilles Bisson:** But when it comes to driver information, I thought there was an issue of trying to determine the driver's actual driving record if they're not from Ontario. I thought that was one of the issues that was raised.

**Mr. Jim McCarter:** I don't think we knew whether they were able to bring up that information, but it sounds like you are able to bring up that information.

**Ms. Carol Layton:** Peter can again respond to that one.

**Mr. Peter Hurst:** Absolutely. That's through the international records exchange. It's just the same as you

or I driving our cars: They go through the OPP dispatch, who actually have physical access to CPIC.

**Mr. Gilles Bisson:** Are provincial offences also listed on CPIC? I was trying to remember. I don't know if they are or not.

**Mr. Peter Hurst:** I don't know.

**Mr. Gilles Bisson:** They probably are, I would think. Normally everything is on CPIC. That big eye in the sky is watching you.

Just one last thing: We know logbooks are an issue. Is there any thought of going to an electronic logbook, and where is that?

**Mr. Peter Hurst:** Yes, absolutely. First, let me say that many, many carriers are doing it voluntarily now, especially the large fleets. They are using electronic logs. They find it much better not only for compliance, but it's more efficient for their operations. We are looking at it as part of a group across Canada to implement electronic onboard recorders, electronic logs, for all carriers.

We are doing a study right now, and the first phase of it we reported to the Council of Deputy Ministers Responsible for Transportation in September, and we're due to report again this coming September. We are also following very closely what they're doing in the United States on that very topic.

**Mr. Gilles Bisson:** Just for the record, the provincial offences are on CPIC. That was a question we were talking about before. So it is there.

**The Chair (Mr. Norman W. Sterling):** Mr. Ouellette.

**Mr. Jerry J. Ouellette:** First of all, a comment to the auditor: It's not Bob; it's Robert. You'd have to be a trucker to understand that shot.

**Ms. Carol Layton:** Yes.

**Mr. Jerry J. Ouellette:** Oh, you do. It's good that you know that.

A couple of quick things, then. First of all, I think one of the biggest problems for the public at large and the media at large, predominantly, is when they see the stats coming off the two forms of checks—one is a target where they go out and get the vehicles, and the other one is where they randomly pick—you regularly see the numbers—up to 30% of the vehicles, and then, lo and behold, the media says 30% of the vehicles out there are being taken off the road, yet 200 vehicles—because I've been there; I've stood there; I've been a participant. I took my own mechanics to the roadside checks and, quite frankly, 296 vehicles went through. They picked 11 out of those 296, and guess what? Thirty per cent of those 11 were the bad players, because they know who the bad players are.

The perception of the public at large out there is that trucking is not a safe industry, simply because of the way it has been reported by the media. We need to ensure that the number of vehicles that go through and the percentages are specifically identified.

The question that I do have is twofold. What is the number of registered CVORs out there? How many are there?

**Ms. Carol Layton:** It's 55,000.

**Mr. Jerry J. Ouellette:** My last one is, how many members are there in the OTA?

**Ms. Carol Layton:** Peter, do you have that answer? We can get that.

**Mr. Peter Hurst:** I should know that. It's a very large association. Their board of directors is some 80 strong, but I don't know their actual membership.

**Mr. Jerry J. Ouellette:** It's probably close to about 5,500; it's certainly less than 10,000.

**Ms. Carol Layton:** Ten per cent, do you think?

**Mr. Jerry J. Ouellette:** It was 10% in the past; I don't know if the number has changed. That's all. I just wanted to point it out. This was mostly for government information, not for anything else.

Those are all my questions. Thank you, Chair.

**The Chair (Mr. Norman W. Sterling):** Can I ask a question? In terms of the 105-kilometre speed limit, have you done any evaluation of what that has done with regard to the safety record? My estimation would be, from the frustration of trying to drive down the 401 towards Ottawa from Toronto and vice versa, that it would increase the number of accidents because of people trying to weave in and out in order to get by these two trucks that are both going at 105 kilometres per hour and taking maybe five kilometres to get by each other; one won't give anything while the other is going by. So have you any kind of evaluation of that?

**Ms. Carol Layton:** You're asking about speed limiters and the 105 kilometres that they're held to. I've got two very anxious folks to jump in and actually respond to your question, Chair, but I'll turn first to Rob Fleming.

**Mr. Rob Fleming:** I'd like to start with our safety record, which shows that our total fatalities have been dropping quite significantly over the last two years. In 2009, there was a further drop from 645 to 540, and a decline, also, in commercial-motor-vehicle-involved collisions.

There may be more frustration on the highway; I've driven that highway a number of times myself, but the statistics don't bear out that it's causing collisions. In fact, reducing speed for sure is a good thing, and it does have a calming effect on speed. Speed is still the number-two cause of fatal collisions in Ontario.

**The Chair (Mr. Norman W. Sterling):** Okay. Any further questions? Thank you very much for your presentation.

**Mr. David Zimmer:** What's number one?

**Mr. Rob Fleming:** Impaired driving.

**The Chair (Mr. Norman W. Sterling):** Thank you very much for your presentation. Perhaps the members of the committee would just stay a few minutes and we can instruct our researcher as to what we would like to prepare in a report.

We'll go into closed session.

*The committee continued in closed session at 1024.*



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